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ABSTRACT

The most important burden of charter schools is the need to demonstrate that the instruction they provide actually benefits students. They can hire their own teachers, make their own tradeoffs between spending on administration and teaching, locate anywhere in the community, and let parents know in advance what a child must do to succeed in the school. Therefore, charter schools are exempt from many rules, and instead are required to demonstrate student learning. Unlike conventional schools, however, charter schools can lose their public funding and be forced to close if they cannot demonstrate that their students are indeed learning. The question becomes whether performance can replace compliance as a mechanism of accountability to government? Does dependence on parents and teachers force charter schools to ignore their responsibilities to the public? This report studies individual charter schools and their authorizers with differing legal provisions in six states: Arizona, California, Colorado, Georgia, Massachusetts, and Michigan. It asks how the schools' relationships with authorizers affect their day-to-day operations, and how they develop relationships of trust and confidence. Major findings regarding internal accountability are discussed. The appendix covers survey data and analysis methods. (DFR)

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A Study of Charter School Accountability

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NATIONAL CHARTER SCHOOL ACCOUNTABILITY STUDY

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A Study of Charter School Accountability

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Dean Millot and Larry Pierce, two colleagues who did not write this book, have nonetheless contributed ideas throughout the many years we have worked on charter schools. We also acknowledge the invaluable help of members of our study advisory panel: Louann Bierlein, Jane Hannaway, Nancy Helm, Howard Fuller, James Guthrie, William Porter, James Peyser, and Paul Berman. We are grateful to the following individuals for their thoughtful reviews of this report: Martin Orland, Harold Himmelfarb, Alex Medler, and Ram Singh (current project officer) of the U.S. Department of Education; Brian Hassel, Project Impact; Priscilla Wohlstetter, University of Southern California; Bruno Manno, The Annie E. Casey Foundation; and Gary Miron and Christopher Nelson, Western Michigan University. Paul Berman and his colleagues at RPP helped throughout the study and provided indispensable data. Our past project monitors from the U.S. Department of Education—Joseph Conaty, Marian Robinson, Judith Anderson, and Patricia Lines—supported us throughout the study. Michael Kirst of Stanford University and Katrina Bulkley of Rutgers contributed to parts of our fieldwork that complemented their own project sponsored by the Center for Policy Research in Education. Sarah Brooks, Julie Comiskey, and Abigail Winger of the University of Washington's Daniel J. Evans School of Public Affairs patiently read many draft chapters and made major contributions to the report's clarity, logic, and completeness.

As no one who reads this report will doubt, any errors of fact or analysis are ours alone.

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EXECUTIVE SUMMARY

Charter schools are a new kind of public school. They must be open to all students and meet state standards, but they have more freedom, and bear more burdens, than conventional public schools. Their most important freedom is to use public funds to buy the things that matter—especially teachers' time and instructional materials—in the ways school leaders think will be most effective for the students served. Charter schools' most important burden is the need to demonstrate that the instruction provided actually benefits students. Unlike conventional public schools, charter schools can lose their public funding and be forced to close if they cannot demonstrate that their students are learning.

Charter schools have other freedoms, and the burdens that must come with their freedoms. Charter school leaders can hire their own teachers, make their own tradeoffs between spending on administration and teaching, locate anywhere in the community, and let parents know in advance what a child must do in order to succeed in the school. These freedoms bring burdens: the need to attract teachers who can freely choose to work elsewhere; the need to get administrative work done as efficiently as possible in order to focus expenditures on teaching; the need to spend money to rent space; and the need to attract and hold families that can freely choose to send their children elsewhere.

Unlike conventional public schools, which have dollars, teachers, funds, space, and students assigned by the local school district and are seldom closed for reasons of academic performance, charter schools must make many decisions and continue to exist only if they perform. Charter schools have high stakes relationships with many parties: with the school board or other government agency, teachers without whom the school cannot operate, and families whose choices determine whether the school gets funding. Because charter schools seldom get as much per pupil as the local public school system, and must pay rent for space that conventional public schools get free, charter schools often depend on donors—people who donate goods and services.

The fact that charter schools are dependent on many parties has raised issues about accountability:

- Conventional public schools are considered accountable because they must follow all the rules set by local and state school boards, and abide by all the provisions of contracts that these boards enter with unions and other organizations. Charter schools are exempted from many of these rules, and instead are required to demonstrate student learning. Can performance replace compliance as a mechanism of accountability to government?

- Even if charter schools satisfy the expectations of government, they can be forced to close if teachers or parents (and in some cases private donors) reject them. Does this dependence on parents and teachers force (or enable) them to ignore their responsibilities to the public?

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- Charter schools must satisfy many constituencies, all at once and with limited resources. Does this compel school leaders and staff to spend all their time and energy pandering to different groups, or are they able to focus their energies on their one most important goal, providing effective teaching and learning?

The charter school movement is still a new phenomenon, and though the issues listed above can be defined they have not been resolved. This report is the result of the first extensive, nationwide study of charter school accountability. We hoped to illuminate the issues posed above by observing charter schools in operation. We designed our research to answer questions like these: Do charter schools take serious account of the public interest as represented by the school boards and other government agencies that authorize and oversee them? How are authorizing agencies adapting to the unfamiliar requirement to judge schools according to performance, rather than compliance? Are school boards overseeing charter schools closely, or treating them as distractions from their responsibilities toward conventional public schools? Are charter school leaders preoccupied with maintaining the support of one constituency to the neglect of the others? Is it possible for a charter school to balance the demands of its many adult audiences without neglecting the quality of instruction for students?

We could not hope to answer these questions definitively for all time: the charter movement is so new that at any time more than half the schools are either just starting up or in their first year of operation. But we could observe how the earliest schools are accountable in their relationships with authorizers, parents, teachers, and other key constituents. Our research could also give people struggling with charter school accountability—school board members, groups proposing to run charter schools, teachers, parents, charter friends associations, and foundations—the benefit of others' experience.

Accordingly, we spent 2 years (from September 1997 to September 1999) studying charter schools and their authorizers. Individual schools were our main focus: we asked how their relationships with authorizers affected their day-to-day operations; and how they developed relationships of trust and confidence with parents, teachers, and other community members. We also studied how authorizers—school districts and in some states, universities or special state agencies—were learning to oversee charter schools. We focused on six states with differing legal provisions on charter schools—Arizona, California, Colorado, Georgia, Massachusetts, and Michigan. Taken together, these states also contain the vast majority of charter schools.

We found, not surprisingly, that charter schools and authorizers are just learning how to handle their new responsibilities and relationships. Major findings in this report include these:

- Though charter schools experience periods of confusion as they are starting up, most quickly learn that the best way to maintain the confidence of authorizers, families, teachers, and donors is to focus on providing quality instruction.

- Charter school leaders recognize that they must tend their relationships with authorizers carefully. However, on a day-to-day basis their main concerns are with internal accountability—how to maintain productive relationships among teachers, students, parents, and financial supporters.

- Creating governing boards, which are often the official oversight mechanism for charter schools, and establishing a productive division of responsibility between board and staff, has proven extremely challenging for many charter schools. When this relationship works well, however, it is an effective model for strong internal accountability.

- Charter authorizers are struggling to learn how to relate to schools on the basis of performance rather than compliance. New organizations created to oversee charter schools—special offices in universities, school districts, and state governments—learn their jobs relatively quickly. Conventional school district offices have trouble breaking long-established habits of detailed compliance-oriented oversight.

- Charter schools' dependency on donors, lenders, and sources of outside assistance brings advantages and risks, but in general, such voluntary external partnerships seem to strengthen the school's academic performance and reinforce its focus on quality instruction.

- Government agencies other than charter school authorizers are unaccustomed to working directly with individual public schools. As a result, these agencies sometimes deal with charter schools "by the book," more severely than they treat conventional public schools.

Most charter school leaders know that they must meet performance goals set by the government agencies that authorize them to receive public funds, and maintain a relationship of trust and confidence with those agencies. However, many government agencies have not clarified their expectations and oversight processes toward charter schools. Government agencies that do not clarify performance expectations send an implicit message that charter schools will ultimately be assessed on the basis of political popularity and compliance. Thus, in many localities the implicit bargain in a charter school's relationship with government—performance accountability in return for freedom from detailed rules about procedure and compliance—still remains an unrealized aspiration.

Most charter school leaders know that they must maintain relationships of trust and confidence with government authorizers, parents, teachers, and donors. Building these external accountability relationships, and reconciling the needs of different parties, is a major challenge that virtually all charter schools struggle to meet. Charter schools that survive more than 1 or 2 years show signs of developing this capacity. They do so

not by pandering to different groups but by making and keeping promises about what students will experience in school and what they will learn. Thus charter schools establish *internal accountability*—a belief that the school's performance depends on all adults working in concert, leading to shared expectations about how the school will operate, what it will provide children, and who is responsible for what.

Internal accountability can enable charter schools to meet ambitious performance expectations. But if government's expectations continue to be unpredictable and based on processes not outcomes, charter schools will be forced to focus on tasks other than the effective instruction of their students.

Taken together, these findings paint a picture of a new public enterprise in which all parties are learning to play their roles. Charter schools are creating opportunities for teachers, parents, and community groups to offer new schools. These groups are learning, sometimes with great difficulty, how to handle the unique challenge of being accountable to public officials as well as to parents, students, and the community. Chartering also challenges government to learn how to oversee public schools on the basis of performance, rather than compliance with rules. School leaders, parents, teachers, and government officials are all rethinking their relationships with public schools. As this report shows, the process can be messy. But the results can be worth the cost, if it leads to new and effective options for the education of America's children.

The report concludes with recommendations about how all the parties involved in public education—including state legislators, school district leaders, philanthropists, school leaders, teachers, parents, and charter school supporters—can do their parts to ensure that charter schools have the freedom to educate children effectively yet remain accountable to the public.

SECTION 1

Introduction to the Issues and Our Study

There are differing points of view about charter schools. Supporters see charter schools as ways to allow groups of parents, teachers, and educational innovators to create new options in public education. Opponents see them as potentially divisive escape routes from the structure of necessary public education regulations.

Charter schools are quasi-independent public schools authorized by agencies of state government to operate outside the normal public school administrative framework.[1] They receive public funds on a per-pupil basis and decide autonomously how to spend their budgets—how many teachers to hire, what textbooks and materials to buy, what extracurricular activities to offer, and so on. Charter schools are also schools of choice. Parents can choose whether to enroll their children in a particular school. Charter school leaders offer jobs directly to teachers, and teachers decide which offers to accept. In return for these freedoms, charter schools must state in advance what their students will learn, and schools that do not produce the expected results can have their charters revoked. Charters are granted for fixed terms, typically 5 years, and they can be renewed only if the school shows that it has lived up to its promises.

Theoretically, charter schools can avoid some of the trappings of late 20th century public education. They are not operated by centralized bureaucracies; they must attract students, who are not compelled to attend them; they do not need to respond to daily changes in school district politics and policies; they have real-dollar budgets and can decide how to allocate funds among teachers, materials, and technology; and they hire teachers who fit the school's mission and needs rather than automatically accepting the most senior teacher who wants a job. Still, however, charter schools are intended to be public—open to all, bound to principles of fairness and equality, and required to teach the same basic subjects and meet the same standards of quality as conventional public schools.[2]

In fact, the 36 states and the District of Columbia that have charter school laws require charter schools to be public—nonexclusive, covered by civil rights laws, and obligated to

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[1] According to the U.S. Department of Education, there are 1,735–1,790 charter schools operating in the 2000/2001 school year. In Spring 2000, The Center for Education Reform estimated charter schools are serving approximately 430,000 children.

[2] Disputes over whether public education is defined by its mission (so that any school that provides effective education and operates under principles of equity is a public school) or its administrative arrangements (so that only schools operated by specialized government education agencies are public schools) are not new. As early as 1967, psychologist Kenneth Clark, whose research strongly influenced the Supreme Court's decision in Brown v. Board of Education, argued that identifying public schools by their administrative arrangements closed off many options that poor and minority communities need. He argued that public schools should be managed by colleges, universities, unions, businesses, industries, the Department of Defense, and other organizations, as well as by conventional public school districts. See Clark, Kenneth B., *Alternative Public School Systems—A Response to America's Educational Emergency*, 1967. Available from the ERIC Clearinghouse on microfiche.

demonstrate performance as a condition of their continued existence. However, legislatures have recognized that they were creating a new kind of public entity and the original charter school laws left many questions unresolved. Many of these questions concern accountability:[3] how would school performance be measured; how would decisions be made about schools that became controversial or when schools' initial charters expired and they petitioned to have their charters renewed; and what would happen to low-performing schools that nonetheless retained the strong support of parents or teachers or to high-performing schools that could not attract enough students to pay their bills? Responses to these questions of accountability are outlined in state charter school laws to some degree, but ultimately they will be answered only in practice, by state and local education agencies, by charter school operators, and by teachers, parents, and students.

Charter Schools and Accountability

One way to understand charter schools is that they are public schools that have made a novel bargain, gaining freedom from detailed external control in return for accepting strict accountability for performance. Charter schools do gain some freedom of action, though as subsequent sections of this report will show, what they are free to do varies from place to place and is often subject to redefinition. Similarly, charter schools are nominally accountable, but to whom they are accountable, for what, and with what consequences varies from place to place and from time to time.

By law, charter schools are answerable to the government agencies that sponsor them for faithful execution of their charters and for demonstrating student learning. Though some are answerable to local district school boards, many are authorized by special state agencies, other state institutions like colleges and universities, and state departments of education. Also by law, charter schools are simultaneously accountable to parents and teachers for fulfilling promises made about instruction, school climate, and student learning and for operating in ways that maintain those parties' confidence.

The legislators who enacted charter school laws hoped to make schools more effective by clarifying to whom they are accountable and for what. Charter school advocates do not claim that conventional public schools are answerable to no one. To the contrary, they argue that conventional public schools are answerable to so many external parties and for so many different things that staff cannot focus on the core task of providing effective instruction. Supporters of charter schools hoped that charter school legislation could eliminate the demands on schools that compete with the goal of providing instruction that leads to student learning. They acknowledge that the real work of teaching, self-assessment, and collaborative adaptation to the needs of individual children must be done within the school. Supporters of charter schools believe that the adults who run and staff schools will work more effectively if performance matters.

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[3] Accountability is a relationship between two persons or organizations in which one acknowledges an obligation to perform some task or function, and the other expects that the task or function will be performed. According to the American Heritage Dictionary, to be accountable is "to be answerable for." Thus, a school is accountable when it is answerable *to* some other party *for* accomplishing some definite goals.

Charter school laws intend to make schools' very existence contingent on performance in two ways. First, they empower state and/or local agencies (hereafter called *authorizers*) to enter into school-specific performance agreements with schools eligible to receive public funds and to withdraw the charters from schools that do not operate or perform as promised. Second, charter school laws allow parents and teachers to choose whether to be part of one school community or another.

Thus, though charter school laws vary from state to state, most charter school laws intend to create new roles and new relationships among key adult parties in public education. In theory, charter schooling allows:

- Authorizers to contract with a wide variety of qualified parties to operate schools and to shift contracts from nonperforming parties to more promising ones.
- Parents or guardians to choose schools and also to take part in founding and operating new public schools.
- Professional and community groups, including teachers and independent private parties agreeing to work within a public charter, to operate schools.
- Teachers to choose the schools where they will work and schools to choose teachers from among a broadly defined set of eligible individuals.

Chartering also introduces new actors into public education—the governing boards of independent nonprofit organizations that enter into contracts to provide schools. These boards become, in effect, the intermediaries between members of politically responsible state agencies and the people who operate schools day to day. These independent governing boards assume public responsibilities by entering into contracts with authorizers and by accepting the obligation to operate under government's principles of equitable student access and careful stewardship of public funds. However, the school-level governing boards remain independent entities with the obligation to keep their schools financially solvent and the freedom to adjust their schools' staffing and program as necessary to meet student needs. The governing boards of individual schools also enter into *de facto* private contracts with families, to whom they make promises about what children will experience and learn while in the schools.

Chartering also limits the roles of state legislatures and local school boards. Theoretically, these agencies do not control charter schools directly, nor do they decide whom charter schools will hire or how they will spend their money. Chartering may, however, enable school boards and other state entities to be more effective than before in ensuring that all children have access to good schools.

The many rules that now constrain conventional public schools—civil service hiring, standard staffing tables requiring heavy layers of administration, and constraints on days of instruction and minutes of teacher time—also greatly restrict district school boards. When dealing with conventional public schools, boards are often unable to do much to influence staffing, alter the relative emphasis on administration versus instruction, or change the use of

teacher or student time. These constraints severely limit what they can accomplish in dealing with a low-performing school. A school board can only put so much pressure on a school whose staff members are all tenured and whose principal has little influence over hiring and firing of staff or the spending of money.

Those district boards that can charter schools gain new and valuable opportunities to guide and influence schools. When schools are not performing to expectations, district school boards and other state agencies can put pressure on school managers who have the authority to change staffing, methods, and use of time. Authorizers can also cancel the charters of nonperforming schools and find other providers.

By making authorizers responsible for the performance of individual schools, not of system aggregates, chartering makes it less tolerable to have a few bad schools just because the system is doing pretty well on average. Chartering makes every school responsible to mount an effective instructional program and maintain teacher and parent confidence. Chartering deprives schools of the excuse, "we did what we were told and if it did not work it is not our fault."

Chartering also potentially opens public education to new ideas, new people, and new investments. It replaces a hermetically sealed education bureaucracy with a more open set of contracts between public officials and school operators and among private parties who want to design, operate, teach in, or send children to publicly funded schools. Whether charters lead to better schools, greater equality of educational opportunity, a better educated populace, happier and more productive teachers, more satisfied parents, and smarter children remains to be seen. But it is already clear that charter schooling opens up many new possibilities and can lead to significant new flows of human and financial capital into efforts to educate the public's children.

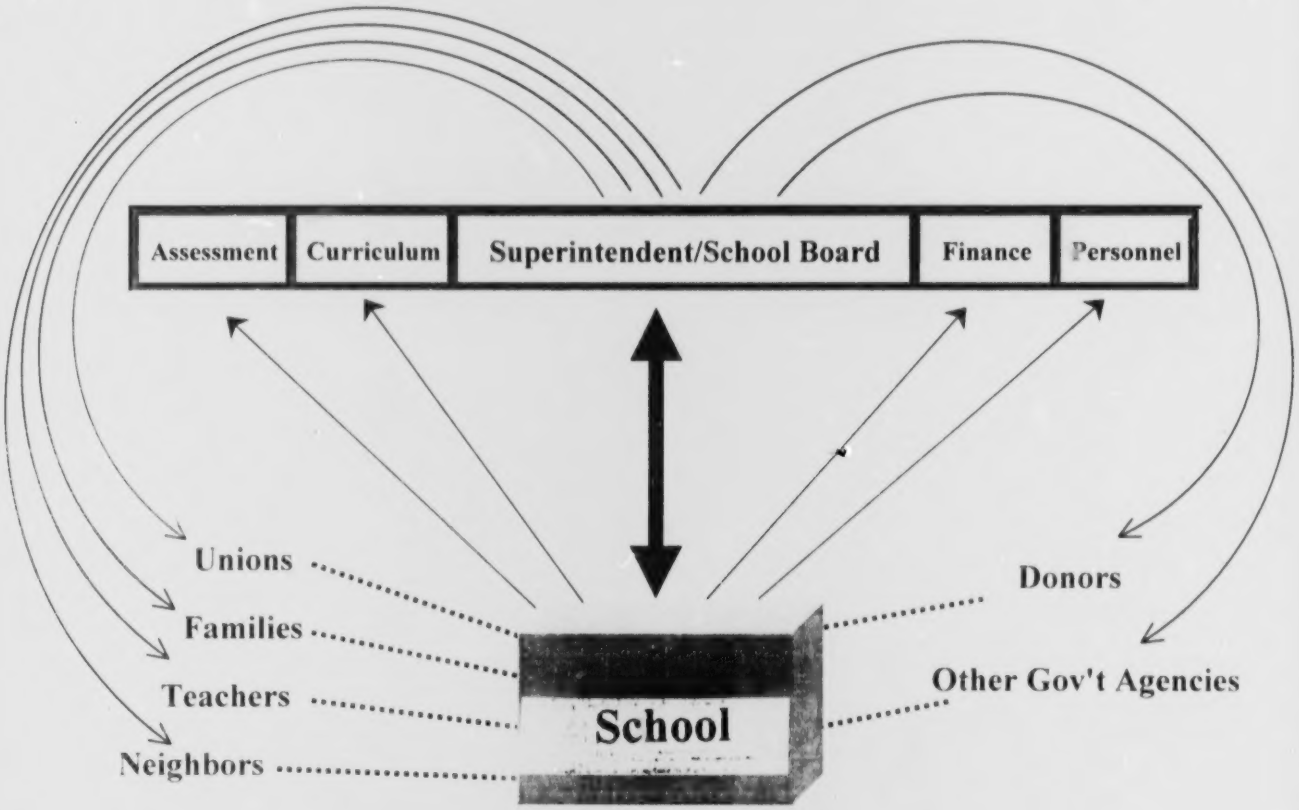
Differences in Accountability: Charters and Conventional Public Schools

The accountability mechanisms created in the theory of charter schools are quite distinct from those in action in conventional public schools today and from the accountability established in the standards-based reform movement.

Figure 1.1 illustrates accountability relationships in conventional public education. The figure is complicated because accountability is complicated. Schools must answer to many masters, including the school board, superintendent, and many separate central office units. Many other actors also deal with schools indirectly through the school board and central office since individual schools have little freedom of action.

Specifically, figure 1.1 illustrates three different accountability relationships.

Figure 1.1—Model school accountability in conventional public education



First, thick lines (between the school, the board, and the superintendent) represent strong reciprocal accountability. The school depends on support from the superintendent and board and, in turn, a school's performance can reflect well or badly on them.

Second, narrow lines (e.g., between the school and different central office units) represent relationships that are important to the school but less important to the other party. Central office units can make demands on schools but because central office units' funding and existence is based on state rules and federal grant requirements, their continuation truly does not depend on whether their actions enhance or interfere with school performance.

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Third, dotted lines represent weak accountability relationships in which both parties have real, but relatively unimportant, stakes. Thus, individual families or neighbors can petition the school for changes, but school staff have little freedom of action and often claim that the central office will not allow requested actions. These parties usually try to get what they need indirectly by putting pressure on the superintendent or board members who need their support. Unions and other government agencies can also deal directly with school staff, but schools' responses are strongly constrained by rules. Those parties have their greatest influence by making rules that constrain the whole district (in the case of other governmental agencies) or entering district-wide contracts (in the case of unions). Thus, the parties with dotted-line relationships with individual schools have narrow-line relationships with the board and superintendent. They get what they need through the board and superintendent, and provide political support (often votes and financial contributions) that keep board members in office and maintain or threaten superintendents' board majorities.

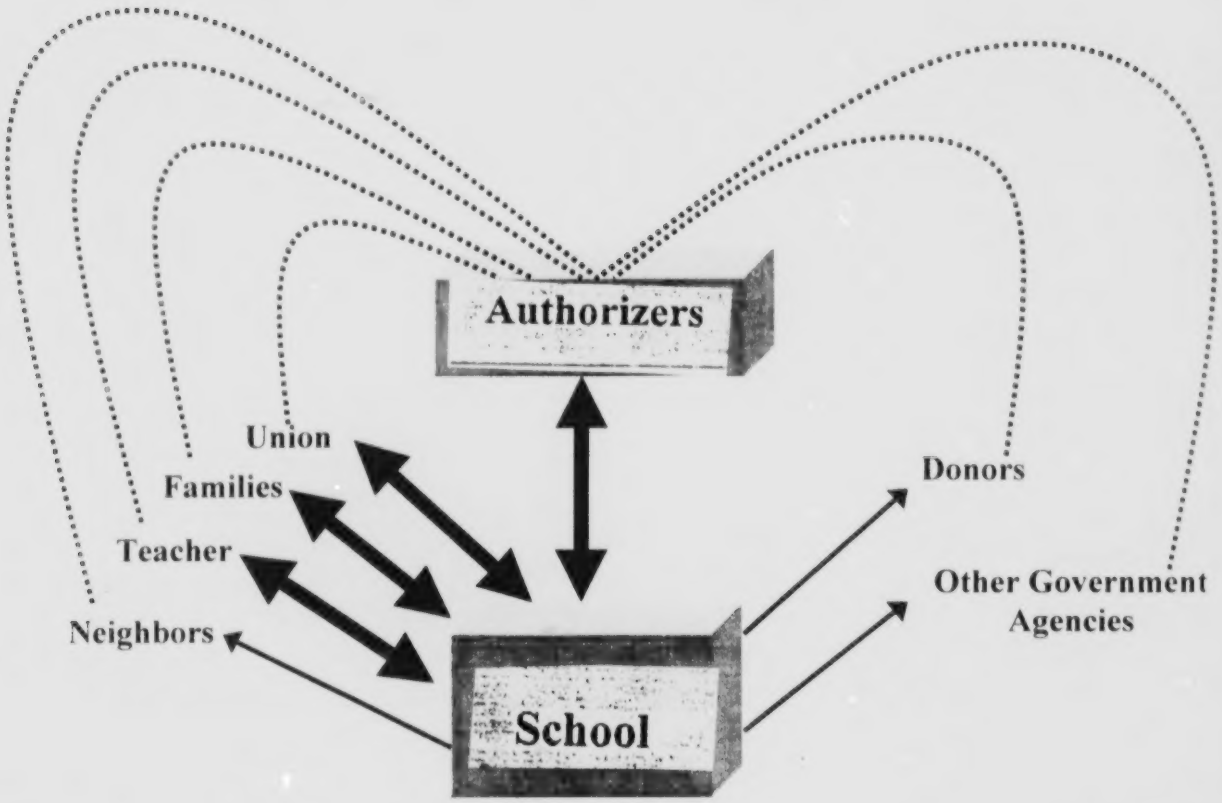
Kentucky's standards-based system, now adopted in some form by the vast majority of states, tries to simplify accountability in conventional public education. It sets high expectations, measures school and student performance against those expectations, and rewards and penalizes schools on the basis of academic performance. As is the case with charter schools, schools under standards-based reform have a direct and reciprocal accountability relationship with their school districts based on performance under state standards, and they are not accountable to myriad independent central office units. However, like conventional public schools, schools under systemic reform are only indirectly accountable to families, teachers, unions, neighbors, and other government agencies.

Figure 1.2 illustrates the accountability relationships that are supposed to exist for charter schools in most states. It uses the same kinds of symbols as figure 1.1. Charter schools have strong reciprocal accountability relationships with their authorizers, whether they are school district boards or other public agencies. These relationships are defined in each school's charter and they focus on student learning results.

Unlike conventional public schools, charter schools are not supposed to have any accountability relationships at all with the many quasi-independent district central office units that affect conventional public schools. However, a charter school has many other direct accountability relationships: with the teachers whom it hires but on whose performance the school depends; with families whom the school must attract and satisfy but on whom the school can also impose some requirements; and with unions, which represent teachers at the school.

Charter schools also have direct accountability relationships with other government agencies (e.g., fire marshals, building inspectors, and civil rights agencies). As figure 1.2 shows, these entities can also try to influence a school indirectly by complaining to its authorizing agency and trying to induce the authorizer to intervene in the school's operation (that is how these agencies operate in the context of conventional public education). However, since these agencies are in a position to deal with a charter school directly, relationships with the authorizer are represented by dotted lines.

Figure 1.2—The theory of charter school accountability



What a diagram cannot make clear is that all these direct accountability relationships are critical to the continued existence of a charter school. If a school does not provide the quality of services promised or show expected levels of student learning gains, its authorizer can cancel its charter. The authorizer is also free to charter other schools so that children from a closed school have someplace to go. Charter schools' other accountability relationships are also very high-stakes; a school that cannot attract students does not get funds and cannot operate; and a school that cannot attract and keep teachers cannot stay open.

Charter schools and conventional public schools are held accountable very differently. Charter schools are directly accountable to many different parties, and must balance the needs of all their constituencies without losing the support of any. In conventional public education, government does the balancing. The district school board, superintendent, and central school administration listen to the parents, teachers, and community members, and try to create policies for all schools that reflect a vector sum of all parties' demands.

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The Purpose of this Report

There are many books and articles on the subject of accountability under standards-based reform.[4] They show that standards-based reform is no different from any other policy idea: more complex, harder to implement, and more in need of refinement than its originators imagined. The same must also be true of charter schools. However, there is no correspondingly large body of evidence and analysis about how charter schools are held accountable.[5] The new roles and relationships introduced by charter schooling are challenging and unfamiliar. All the actors involved inevitably have a lot to learn, and many can be expected to clash as they try to establish themselves.

This report is the first national study of charter school accountability. It aims to provide knowledge for use in the real world, by three audiences: Charter school operators (or persons interested in seeking charters); charter authorizing agencies; state legislators and governors interested in establishing new charter laws or amending existing ones; and funders (including the federal government and private foundations) willing to invest in resources needed by charter schools.

We set out to inform these audiences by answering four main questions:

- Does the need to maintain the confidence of authorizing agencies, parents, teachers, and other private supporters strengthen or disable charter schools as places of teaching and learning?
- How are charter school leaders learning to balance all the pressures on them, and what (in the inevitable cases of failure) renders some schools unable to meet all their obligations?
- How do the actions of key external entities, including government agencies that authorize charter schools, private financial supporters, and assistance providers, influence charter schools? In what ways do the actions of these entities enhance or weaken schools' focus on instruction?

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[4] See, for example, Fuhrman, Susan H. and Richard F. Elmore, Ruling Out Rules: The Evolution of Deregulation in State Education Policy. *Teachers College-Record*; v97 n2 p. 279–309 Winter 1995; Fuhrman, Susan H. and Jennifer A. O'Day, *Rewards and Reform: Creating Educational Incentives That Work*, San Francisco, Jossey-Bass, 1996; Fuhrman, Susan H., Challenges in Systemic Education Reform, *CPRE Policy Briefs*, New Brunswick, NJ, Consortium for Policy Research in Education, 1994; McLaughlin, Milbrey W. and Lorrie A. Shepard, *Improving Education through Standards-Based Reform*. Stanford CA, Academy of Education, 1995; Hill, Paul T. and Robin J. Lake, *State Standards and School Accountability*, Washington, DC, The Brookings Institution Press, 1999 (forthcoming).

[5] Useful ideas about charter school accountability are starting to emerge. See, for example, Manno, Bruno V., *Accountability:Tthe Key To Charter Renewal*, Washington, DC, the Center for Education Reform, 1998. See also Finn, Chester E., Bruno V. Manno, and Gregg Vanourek, *Charter Schools In Action*, Princeton, NJ, Princeton University Press, 2000.

- What lessons are government agencies and private supporters of charter schools learning about how to fulfill their own obligations without weakening charter schools as teaching and learning institutions?

Aside from the information specific to charter school accountability, public officials and school board members need to know what the charter school experience implies about accountability in the rest of public education. The accountability challenges posed by charter schools arise in the course of any reform that tries to focus initiative and accountability at the school level. Any such reform—including standards-based reforms that offer schools increased freedom of action in return for strict accountability on student outcomes—requires authorizing agencies to ask whether a school is performing as expected. Any community attempting standards-based reform, or even more modest initiatives like site-based management, will need to replace the traditional system of compliance-based accountability with one based on school-specific performance. Charter schooling provides a laboratory for discovery and testing of school-specific methods of accountability.

The Evidence We Assembled

We studied charter school accountability from many angles. First, from the perspective of charter school staff who faced the need to balance the diverse accountability relationships described above. Second, from the perspective of authorizers—local school boards and other state agencies empowered to authorize charter schools—who faced the need to oversee public schools in a new way. Third, from the perspective of state officials who make rules defining the responsibilities of authorizers and individual charter schools. These groups were the main focus of our work. But we also tried to understand how parents, educational interest groups, and independent financial donors were learning to deal with charter schools.

From the beginning, we understood that the whole charter school enterprise was new and rapidly evolving. As our inquiry began, few people had much experience with charter schools. Both when the study began in 1997 and now in 2000 as this is written, more than half the charter schools in the country are in their first 2 years of operation. Charter schools, and their relationships with the entitles to which they are accountable, are just being invented. No statistical profile of charter schools is likely to be valid for more than a few months. No single generalization about charter school accountability is likely to hold for all schools, or for very long.

In light of these facts, we decided to focus on understanding and explanation, rather than on counting. This report, then, is an effort to explain relationships: how chartering defines responsibilities; how schools and other entities are learning to work within the context of new laws, powers, and responsibilities; what lessons school leaders and public officials have already learned; and with what issues they are still struggling. We expected that many other studies would follow ours and that, as the charter movement grew and stabilized, efforts to create national statistics would be justified.

We drew information and ideas from many sources.[6] A 2-year study funded by the U.S. Department of Education was the centerpiece of our research strategy. This study focused on six states—Arizona, California, Colorado, Georgia, Massachusetts, and Michigan—selected to represent the main differences in state charter school laws. These states also contained the vast majority of charter schools in existence (at the time of our field work in 1998 and 1999) for at least 3 years and represent the vast majority of states with charter schools in existence for at least 3 years. We studied state charter school laws and administration in those states, and then studied a sample of school districts and other government agencies that authorize charter schools within those states. We also then conducted case studies of charter schools authorized by the government agencies in our sample. We:

- Studied the ways that state governments, local school districts, and other state agencies empowered to authorize schools have implemented policies about charter school approval and oversight.[7]

- Collected documentary evidence on charter schools' correspondence with and submissions to authorizing agencies, and on authorizing agencies' decisions on charter school applications and renewals.

- Surveyed authorizing agencies about their policies and bases of decisionmaking, and link these results with data from a larger federally funded general study of charter schools.[8]

- Surveyed charter schools about their relationships with authorizing agencies, admissions and hiring practices, and student body and teacher force composition and turnover, and link these results with data from a larger federally funded general study of charter schools.[9]

- Conducted case studies of particular charter schools' relationships with authorizing agencies and other audiences to whom they might be considered accountable (i.e., families, teachers, professional and accrediting associations).

In all, we studied a total of 150 schools and 60 authorizing agencies. We also conducted extensive case studies of accountability relationships in 17 of the 150 schools, interviewing

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[6] Private sources of funding for this study include the Boeing Company, the Exxon Education Foundation, the Brookings Institution, and the Spencer Foundation.

[7] At the state level, we interviewed legislators and their aides, governors' aides, senior staff of the state education agency, administrators responsible for issuing regulations and guidelines for charter schools, individuals designated to approve charter schools or hear appeals when local districts rejected charter school applications, charter school assistance organization heads, and senior staff members of other education associations that attempted to influence policy regarding charter schools.

[8] See the appendix A for a description of the survey and analysis methods and the questionnaire sent to charter authorizing agencies.

[9] National surveys were conducted by RPP Incorporated of Emeryville, CA, under contract with the U.S. Department of Education. We contributed questions on accountability to RPP's surveys and were able to conduct our own analyses of their national data files. For information on RPP's study, see Berman, Paul, Beryl Nelson, John Ericson, Rebecca Perry, and Debra Silverman, *A National Study of Charter Schools: Second Year Report*. Washington, DC, Office of Educational Research and Improvement, U.S. Department of Education, 1998.

school principals, teachers, other staff members, parents, governing board members, and authorizing agency officials. We analyzed data at three levels of the sample: state, authorizing agency, and school. We used combinations of mail surveys with telephone follow-up, and site visits.

Every chapter of this report draws on evidence from the national survey, smaller surveys, and visits to states, agencies, and charter schools. Throughout the report, we also make reference to schools or agencies (e.g., Chicago and the District of Columbia school districts) we visited in the course of other studies conducted by the Center on Reinventing Public Education.

Report Outline

This six-section report presents our results. Section 2 starts with the schools, showing how charter schools—both schools started from scratch and schools transformed from conventional public schools into charters—have adjusted to their new accountability relationships. It examines how schools have developed *internal accountability*—productive relationships among teachers, administrators, and students. Its most important finding is that charter schools' *external accountability*—their need to maintain relationships of trust and confidence with entities on whom their existence depends, including authorizers, parents, teachers, and donors—promotes internal accountability. The need to respond to external demands leads charter schools to create explicit and disciplined internal divisions of labor.

Section 3 shows how charter schools are learning to maintain internal accountability in the face of disparate demands from parties within and outside the school, including families, teachers, donors, and authorizing agencies.

Section 4 explores how authorizing agencies are overseeing the schools they charter. It shows how the various public organizations designated under different state laws to authorize and oversee charter schools are learning their jobs and how the ways they do their jobs affect schools. These organizations include school districts, special state charter school agencies, and state agencies like colleges and universities, which have other primary missions.

Section 5 reviews the roles being played by other entities—private philanthropists, lenders, and assistance providers on whom charter schools often depend, and government agencies other than charter authorizers (e.g., fire marshals, civil rights agencies) that can require the schools to take particular actions. It asks whether charter schools' need to maintain the trust and confidence of these entities enhances or detracts from teachers' and students' focus on instruction.

Section 6 draws out the implications of what we have learned about charter school accountability for government officials who authorize and monitor charter schools, and for individuals and groups that operate and assist charter schools. It suggests that all of public education has stakes in the effort to learn how public schools can be held accountable for performance.

SECTION 2

From the Inside Out: How Schools Develop Internal Accountability

Chartering puts schools in a set of interdependent relationships quite different from those that apply either to conventional public or to private schools. Unlike conventional public schools, charters must attract families and teachers who can choose other schools, and they must enter directly into relationships with private organizations that provide financial support, advice, and services. Unlike private schools, they must negotiate their charters with public authorizing agencies, convince the same agencies that they are fulfilling their charters, and build a relationship of trust and confidence in anticipation of charter renewal.

In theory, these interdependencies should define charter schools' accountability relationships. This section discusses what we found about how charter schools manage key relationships and how they balance the needs and demands of the different parties to which they are accountable.[1] It also reviews what we have learned about charter schools' *internal accountability* (i.e., the ways the school leadership and staff work together on a day-to-day basis to ensure that the school works for students and is therefore able to keep its promises to others). Overall, we found that:

- Though many charter schools start without strong internal accountability mechanisms, the majority of schools in our case studies are rapidly developing the capacity to ensure that instruction is provided as promised and that students learn.
- Charter schools' external accountability—their need to maintain relationships of trust and confidence with parents and teachers, as well as government, motivates the intense internal collaboration that leads to internal accountability.

Subsequent sections will expand these points.

Internal Accountability

Internal accountability is necessary for an organization to use all its human and financial resources efficiently toward a goal. It is especially important for organizations like schools, where people play specialized roles and the product (student learning) is not created by one person acting alone but by many people acting in combination.

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[1] This section extends a line of analysis initiated by Priscilla Wohlstetter and colleagues. See Wohlstetter, Priscilla and Noelle C. Griffin, *First Lessons: Charter Schools as Learning Communities*, Consortium for Policy Research in Education, 1997.

Newmann introduced the idea of "internal accountability" to education.[2] In a school, internal accountability is the set of processes whereby teachers apply shared expectations to their own work and to that of their colleagues.

The idea of internal accountability flies in the face of a common belief about schools—that they are naturally "loosely coupled." As Weick has observed, schools (and other professional organizations like law firms and medical clinics) rely heavily on the expert judgement of individuals who practice, at least much of the time, on their own.[3] Dependency on individual expertise means that such organizations cannot be rigidly programmed and efforts to completely standardize practice are counter productive.

Notwithstanding Weick's observation, however, many effective professional organizations incorporate strong ideas about common mission, corporate identity, complementary roles, and collaboration. Lawyers in a firm recognize that their colleagues' performance affects their own reputations and the firm's access to future business. Doctors in a clinic recognize the need to coordinate the treatment they give a particular patient and to create internal consensus on how particular symptoms are best diagnosed and treated. Partners in major accounting firms recognize the need to create products that reinforce a corporate identity and create common standards for selecting and training new professionals.

In education, "loose coupling" has been taken as a norm that justifies treating a school as simply the sum of its parts and idealizes individual autonomy. However, that norm is now strongly challenged. Newmann and his associates;[4] Bryk and Lee;[5] Hill, Foster, and Gendler;[6] and others have shown that highly productive schools have attributes that reduce the looseness of coupling among individuals' efforts. They show that highly effective schools are based on strong agreement on mission (who is to benefit from the school's efforts and in what way), methods of instruction, norms for coordinating work across subject matters and grade levels, criteria for selecting and socializing teachers, and methods for assessing overall performance.

In theory, the charter school movement challenges loose coupling in education. By making schools' existence dependent on their ability to demonstrate performance, chartering can reward effective combined action and punish unproductive fragmentation.

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[2] Newmann, Fred M., Bruce M. King, and Mark Rigdon, Accountability and School Performance, Implications from Restructuring Schools, *Harvard Education Review*, v67 n1 p41–74, Spring 1997.

[3] Weick, Karl E., Educational Organizations as Loosely Coupled Systems, *Administrative Science Quarterly*, v21 n1, 1–19, March 1976.

[4] Newmann, Fred M. et al., *Authentic Achievement: Restructuring Schools for Intellectual Quality*. San Francisco, Jossey-Bass, 1996. See also Newmann, Fred and Gary Wehlage, *Successful School Restructuring: A Report to the Public and Educators by the Center on Organizational Restructuring of Schools*. Madison, WI, 1995.

[5] Bryk, Anthony S., and Valerie E. Lee et al., *Catholic Schools and the Common Good*. Cambridge, MA, Harvard University Press, 1993.

[6] Hill, Paul T., Gail E. Foster, and Tamar Gendler, High Schools With Character, Santa Monica, CA, RAND, 1990.

Internal vs External Accountability Relationships

The distinction between external and internal accountability is both extremely important and slippery. A charter school's external accountability relationships are with entities that provide resources that it needs in order to exist: authorizers (which grant status as a publicly-funded school); families (which choose to enroll students, who bring public funds); teachers (whose choices determine whether the school can deliver its instructional program); potential governing board members (who can provide expertise and political support for the school); and donors (who must fill any gap between a school's public funding and its operating costs). A school's internal accountability relationships are limited to the people who have decided to work in or for the school, teaching and serving students or supporting the instructional program.

The distinction becomes slippery because some entities are both external and internal. Parents and teachers, for example, are free to choose whether to join the school or not. In that sense, they (and for that matter all parents and teachers in a locality who might someday choose or avoid the school) help constitute the school's external accountability.[7] However, once a teacher or parent chooses a school, and agrees to play a role in teaching or supporting students, he or she joins in the school's internal accountability relationships. In the sense that parents and teachers can always choose whether to stay or go, they are always elements of a school's external accountability. In the sense that they contribute to the school's instructional program and services to students, parents and teachers are entangled in the school's internal accountability.

All schools have some internal accountability. Schools where adults are free "to do their own thing" with little attention to the consequences for students have very little internal accountability. Schools that make sure all adults work together effectively on behalf of student learning have a great deal of accountability. As we will show, charter schools are impelled by performance pressure to develop internal accountability.

How and Why Charter Schools Develop Internal Accountability

In our study of charter schools, we set out to observe internal accountability and to judge whether charter schools were in fact more integrated, collaborative, and internally demanding than the "loose coupling" norm would suggest. We conducted a survey of 60 authorizing

[7] The same could be said of governing board members, who can decide whether or not to donate their time and support.

agencies in the 6 study states, drew data from a national charter school study conducted by RPP,[8] and conducted case studies of 17 charter schools in the study states. The data in this section are drawn primarily from the latter two sources. The results of the schools survey, reported in the charts and graphs below, are nationally representative. Our case study sample includes a good cross-section of charter schools; it is unbiased but too small to be considered nationally representative. However, it allows us to look deeply into individual schools to understand how they organize themselves and process demands from their many constituencies.

In the case study schools a pattern of development is apparent. Boards, teachers, administrators, and parents pass through periods of turbulence to develop shared expectations about goals and measures of overall performance. In the course of about 3 years, most schools regularize internal relationships and establish divisions of labor and bases on which individuals hold one another accountable.

Charter schools are founded to pursue many different goals. Figure 2.1 drawn from our analysis of RPP's national charter school survey, shows that most charter schools are founded for one of three reasons: to serve a particular population (e.g., low-income students in an area with few strong schools); to realize a particular vision about a good school (e.g., one based on student projects or driven by intense collaboration); or to stabilize an existing public or private school that might not survive unless it takes on charter status. Figure 2.1 also shows that new schools predominantly emphasize serving a particular population group, while converted public schools emphasize realizing an educational vision. Former private schools often become charter schools in order to stabilize and preserve a tradition that parents and staff value.[9]

In many cases, these generally stated goals are not enough to guide effective collaborative action.

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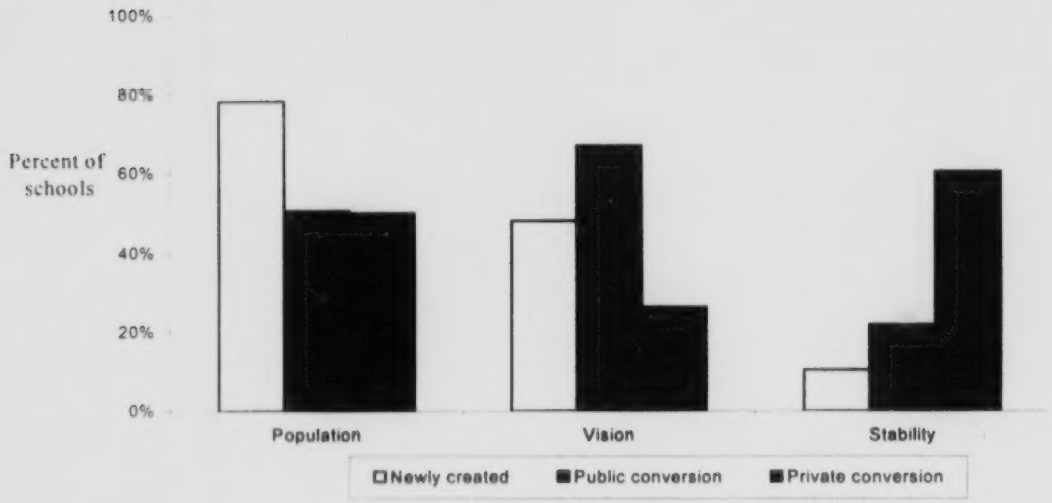
[8] Berman et al, *op cit.* In order to reduce the burden of response on charter schools, our research team cooperated with an ongoing study of charter schools being conducted by RPP International under contract to the Office of Educational Research and Improvement, U.S. Department of Education. In the 1997–98 school year, RPP was in the third year of a multiyear national study of charter schools, collecting data from all charter schools then in existence. We developed a number of questions about accountability approaches and practices, and these questions were incorporated into a larger survey being administered to all charter schools in existence in spring 1998. There were 373 charter schools in the universe of interest (i.e., charter schools in existence for at least one full academic year by spring 1998) and of these 294 (78.8 percent) responded. RPP gave our research team access to all 3 years of data on these schools, thus providing extensive information on the initial experiences and growth of the vast majority of the charter schools that have survived the challenges of new laws, new regulations, and a new way of delivering public education. The percentages in figure 2.1 do not add up to 100 percent because schools had the option to select more than one response.

[9] In their initial year of operation, charter schools were asked to express, in their own words, the reason why their school was founded. Factor analysis revealed three independent factors, as reflected in figure 2.1.

Figure 2.1—New schools aim to serve a population; public conversions seek a vision; and private conversions pursue stability



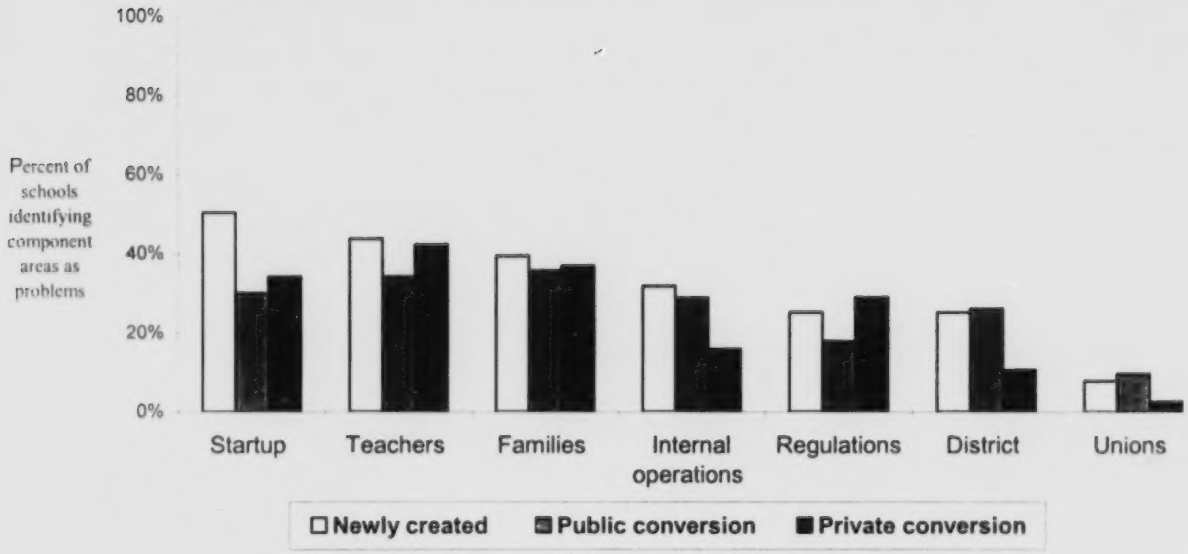
As figure 2.2 shows, new schools face difficult challenges preparing for opening day and creating a smooth-running organization.[10] New schools are also likely to have difficulty finding and preparing teachers, recruiting students, and creating stable relations with parents. Conversion public schools also report difficulties with parents, and they are somewhat more likely than new charter schools to have difficulties with their school districts, which must also learn what it means to oversee these schools as charters, not conventional public schools. Former private schools have fewer startup troubles than new charter schools, but many must expand their teaching staffs and student bodies, and thus encounter some difficulties with teachers and parents. Former private schools have little difficulty with internal operations, but they are relatively likely to report difficulties with public regulations, which most are encountering for the first time.

[10] Seven "problem" factors emerged from analysis of responses to 30 questions about "problems facing the charter school this year." The startup factor included responses to statements about inadequate financing, lack of planning time, locating facilities and community opposition; the teacher factor included hiring and turnover problems; the parents factor included lack of parental support, problems of communication with parents and trouble recruiting students; the internal operations factor included statements about communication within the school, staff conflict, internal processes within the school and administrator turnover; the regulations factor included items about accountability requirements as well as federal, local, and state regulations; the district factor covered district/central office resistance to the charter or conflict with these entities; and the unions factor included statements about collective bargaining agreements and union resistance.

Though most of our case study schools are rapidly developing mechanisms of internal accountability, few had them at the beginning. Some groups got charters on the basis of the resumes of individuals involved. However, the process of writing a charter application did not necessarily prepare the group to run the kind of school their proposal envisioned. The visionaries and rhetoricians who started some schools could write proposals and gather groups of enthusiastic individuals, but could not lead or manage an organization on a day-to-day basis.

External demands create pressures that drive a charter school's governing board, administration, and faculty toward united effort. Members of the groups that founded schools were often surprised at one another's actions and were troubled when new teachers just didn't seem to "get it." Some school founders became disillusioned about how poorly others understood their vision, and some groups of teachers concluded that school heads were causing a great deal of confusion. School leaders also found that parents who came to the school with unspoken expectations that the school had neither anticipated nor discouraged, quickly became unhappy customers. How schools respond to these initial confusions and disappointments determines whether they will build healthy internal accountability or never get there at all.

Figure 2.2—New schools face more start-up problems; private conversions face new regulations; and public conversions face the same old problems



Pressures that Create Internal Accountability

With respect to the internal accountability of the schools we studied, not all schools started at the same place. Schools run by brand-new groups had more trouble than schools sponsored by established organizations, especially those that had prior experience running schools or offering instructional programs. Public schools that sought charter status brought with them many of the centrifugal tendencies they may have sought to remedy. Private schools that applied for charters had already faced the need for an integrating philosophy and many were able to avoid the startup angst they had long since weathered. Groups formed on little basis other than antipathy to the conventional public school system, or that shared few ideas about instruction other than a belief in teacher autonomy, experienced great difficulty. So did schools that formed on the basis of high-sounding principles (e.g., inclusiveness or creativity) independent of plans of action.

These problems are common to all new schools, charter or not. Chartering naturally creates three forms of pressures that favor schools with strong internal accountability and creates trouble for those that cannot develop effective internal collaboration. First, parents choose a charter school because they think it is set up to educate their children in ways they find legitimate, and though few parents pull their children out of charter schools, far more press on the schools to keep their promises. Second, when new teachers and administrators accept a position at a charter school, they do so on the basis of some understanding of goals and conditions of professional work. They too have strong incentives to take action when the school is not working as promised. Third, responsible authorizing agencies demand to know whether schools are operating as promised and producing positive student results. Though, as the following section shows, some authorizers do not take their responsibilities very seriously, some do. Those authorizers that make a serious monitoring effort can readily tell when a school is floundering. In general, schools that do not present and fulfill clear promises to parents about climate and instructional program, that do not present themselves clearly to potential staff and live by their promises, or that look shaky to their authorizers, are in for serious problems.

Chartering not only encourages schools to develop internal accountability, but usually enables internal accountability by giving schools control of staffing decisions, thus allowing them to hire people who will "fit" within a coherent conception of the school. It also enables accountability by giving schools control of funds, which allows them to buy forms of advice and assistance that help professionals converge on a vision of the school's mission and approach to instruction.

Charter schools face stronger pressures toward internal accountability than do conventional public schools. Charter schools' relations with authorizers, parents, and potential teachers make it clear that they are enterprises whose value must be apparent to others who have alternatives. Though good public relations can help schools meet these challenges, the experience of our case study schools shows that there is no substitute for clarity, coherency, and performance. Under pressures from their constituencies, charter schools flourish if they define themselves clearly enough to support earnest and purposive collaboration among faculty, staff, and parents.

For a school facing real performance pressures, it is not enough to follow all the rules, or to have high goals absent clear methods, or to be committed to using particular methods absent the capacity to put them into practice.

In the newly created charter schools we visited, a pattern of development is apparent. Boards, staffs, and parents pass through periods of turbulence to develop shared expectations about goals and measures of overall performance. In the course of about 3 years, most schools regularize internal relationships and establish divisions of labor and the basis on which individuals hold one another accountable.[11] Charter schools that survive initial confusions about goals and roles usually develop into organizations very unlike conventional public schools: they are clearer, simpler, less conflict-ridden, and more focused on instruction

In his seminal article on schools' internal accountability, Newmann concluded that external accountability—the demands and expectations of district school boards and other external constituencies—can be incompatible with internal accountability.[12] That might be the case for conventional public schools that have their goals and modes of operation mandated from on high, and are judged on the basis of compliance. But it is not the case with charter schools. For them, external accountability, can motivate internal accountability.

Circumstances that Work Against the Development of Internal Accountability

A relatively small minority of new charter schools—one in five of those we visited—have been very slow to develop internal accountability. Some schools might never overcome the expectation that someone on the outside (e.g., a school board or district central office) will micromanage and change the rules of the game at will.

Other schools never truly encounter the pressures from parents, teachers, board, or authorizing agency that lead to internal accountability. In particular, conversion schools (conventional public schools that, in some states, can choose to adopt charter status) often have great difficulty breaking out of the mold in which they were first made. Because they already have established teaching staffs, school buildings, and neighborhood attendance patterns, many conversion schools do not become accountable to parents and teachers in all the ways that new charters do. Most remain accountable only to the local school board and do not expect their performance to be any more closely monitored after chartering than before. As a result, many conversion schools operate, are staffed, and feel like district-run magnet or theme schools, not like new charters.

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[11] For more in-depth discussion of the life cycles of charter schools, see Korash, Susan J., *Charter Schools as Educational Reform: A Case Study of the Creation of Three Colorado Charter Schools*, a dissertation presented to the faculty of the College of Education, University of Houston, August, 1998. See also Finn, Chester, Bruno Manno, Louann Bierlein, and Gregg Vanourek, *The Birth Pains and Life Cycles of Charter Schools*, Hudson Institute Charter Schools in Action Project, August, 1997.

[12] Newmann et al., 1997, *op. cit.*

These findings from our case studies are reinforced by the national survey data. As figure 2.3 shows, public conversion schools are less likely to report having control of their budgets and what they buy, how they pursue their educational vision through selecting curriculum and hiring teachers, and how they operate and use time.

There are exceptions among conversion charters; the staff at one Los Angeles charter school insisted on becoming a school of choice and taking control of the entire per-pupil funding available in the Los Angeles Public Schools. This created new bases of accountability and new opportunities for change. School head Yvonne Chan, previously a maverick principal within the public school system, also took care to demonstrate that the school had taken advantage of chartering to change instruction, staffing, relations with parents, and use of funds.

The Vaughn charter school is surely not the only "conversion" school that now looks more like a new charter than a conventional public school. But many conversion schools regard chartering as an opportunity only for a few marginal changes and take care not to "rock the boat," either by challenging district control or by differentiating themselves sharply from other conventional public schools. One conversion middle school in California lost control of its size, and therefore its instructional program, as district decisions forced it to grow from 800 students to 1,500 students. The district needed to find places for a growing student population and did not want to create new schools. The school, as a district-sponsored conversion, felt as though it had no choice but to accept them.

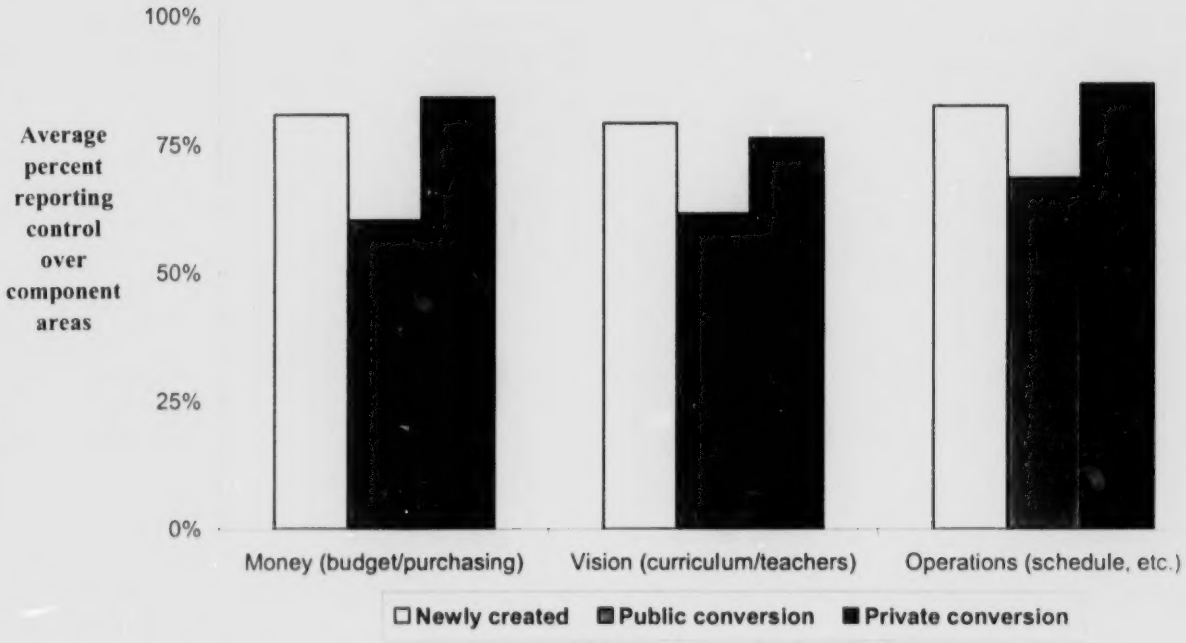
At some conversion schools, parents, and even sometimes school staff, are not aware of how charter status makes the school different. Administrators at one school we visited said they were going to start a concerted effort to let parents know how their school was different and why it would be important to remain a charter. They realized these parents were otherwise not going to be strong allies if the school's charter status ever came under question.

But while conversion schools can have some difficulty developing internal accountability, they also have some advantages. Schools that convert to charter status avoid some of the startup crises that afflict new "from scratch" charter schools. As one principal of a conversion school explained, she saw value in the close ties to the school district: district support allowed the staff to concentrate on instructional improvement and avoid the facilities and finance issues that so often plague new schools.

Independent or Dependent? An Important Dimension

All charter schools, both newly created and conversion, must deal with the question of how much autonomy they have from their authorizer. State laws vary in how much freedom schools will have over curricular, staffing, and financial decisions. State laws also differ on whether the charter school is considered a separate legal entity or whether it is legally an arm of the district. Schools that are considered a separate legal entity or have a high degree of freedom from their authorizer can be thought of as "independent" charter schools. Those that are legally just another district school or are given little autonomy from union contract provisions and district rules and regulations can be thought of as "dependent" charter schools.

Figure 2.3—Converted public schools are least likely to report they have control over critical resources/decisions



The national survey data are not broken down into these categories, but our case studies make clear that this level of autonomy is at least as important as the distinction we draw in our charts between conversion and newly created schools (although the majority of dependent schools are conversion schools). Although independent, "new start" charter schools generally experience high initial levels of startup challenges, dependent charter schools seem to be more likely to experience long-term interference from their authorizers; run into trouble attracting staff whose instructional philosophies fit the mission of the schools; experience internal governance problems; and establish a clear understanding with parents about how the school is different from traditional public schools. In other words, schools with little freedom from a district often face grave challenges *maintaining* internal accountability. In one such school we visited in Georgia, the principal decided to work at another school in a different district after district personnel threatened to assign him to a different school. The school's governing board had no assurance that the new principal assigned to the school would share the school's instructional philosophy.

Independent conversion schools, on the other hand, have all the advantages of a conversion school (i.e., a history of running an instructional program, access to a building, etc.) without exposure to shifting staff assignment policies and district mandates that can interfere

with the school's efforts to create or maintain itself as a cohesive organization.[13] A school we visited in Georgia that operates with a broad waiver from state laws and a high degree of autonomy from the district explained that being a conversion school was a distinct advantage in developing a strong academic improvement plan. As the principal put it, "While brand new schools were dealing with contractors and building inspectors during the startup years, we got to focus on academics."

How School Governing Boards Promote Internal Accountability

School-level governing boards can play important roles in internal accountability. Most new charter schools have had to form internal governing boards, similar to those that run independent schools. In most states these boards are the legal persons responsible for the school.[14] They also officially undertake financial obligations for the school and are the employers of teachers and administrators. Creating these new boards, which are in effect the official internal oversight mechanisms for the schools, and establishing a productive division of labor between board and staff, has proven extremely challenging, but it is also an effective model when it works well.

As figure 2.4 shows, principals in the two kinds of schools that constitute the vast majority of charter schools—new schools and schools converted from conventional public school status—regard their governing boards as one of the primary groups to whom they are most accountable.

There is obviously not one "right" role for a charter school's governing board. But as we learned from our case studies, clear divisions of labor between board and management are crucial. Different boards err on different sides of the line between board micromanagement and a total lack of mission-management and constructive oversight.

Unlike the local site councils required by site-based management programs, most governing boards include, but are not dominated by current parents and teachers. Though they often include school founders who no longer work in the school, most boards are populated by experts or persons of influence in areas that are important to the school. The board of one Michigan charter school we visited included a lawyer, an insurance agency president, the head of a community bank, a friendly member of the city council, the head of a youth service agency, a respected public school principal, and a parent of a child who had graduated from the school.

Boards composed of business people or long-term supporters of the school are inclined to act like business boards; they counsel management on long-term strategy, recruit new school heads, and intervene at times of crisis. However, many boards do not start out with such a

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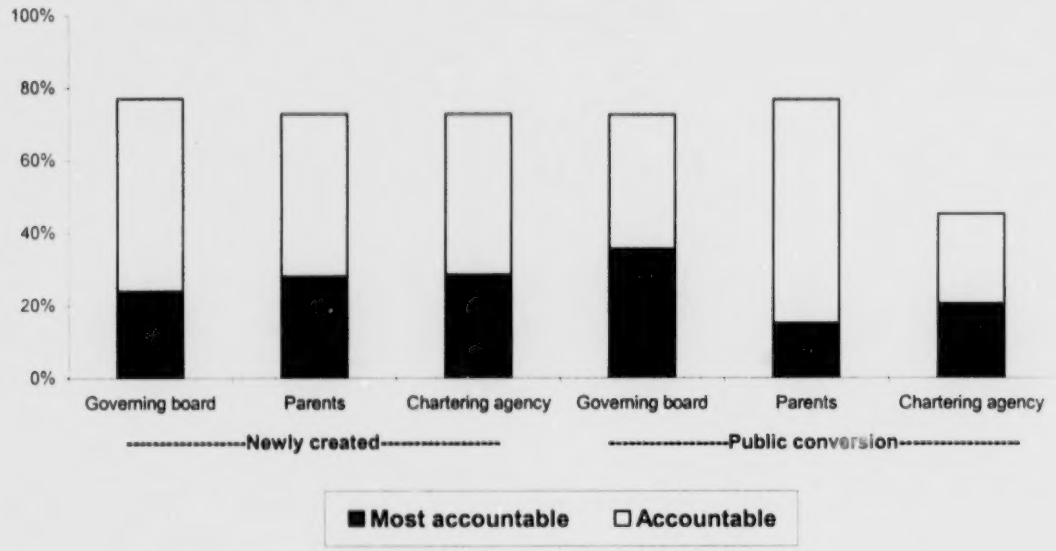
[13] Another study that found greater flexibility increased internal accountability was conducted in Los Angeles, CA, by WestEd. See findings from LAUSD Charter School Evaluation's Cross-Site Report, *The Findings and Implications of Increased Flexibility and Accountability: An Evaluation of Charter Schools in Los Angeles Unified School District*, 1998.

[14] In states such as Arizona, that do not require schools to be governed by nonprofit boards, more research is needed to determine the effect on accountability relationships.

disciplined vision of their own role. Boards composed of current parents and teachers often have great difficulty distinguishing their roles from those of management. We heard many stories of parent-teacher or teacher-principal conflicts leading to serious conflicts within such boards, and to rapid management turnover. At several schools we visited in Massachusetts, Arizona, and Colorado we learned of boards that often sidestepped the school principal or director and assigned duties directly to the school staff. In addition to clarifying roles, schools have also had to figure out ways to understand all parent needs in the school and not just the needs and interests of those parents who are on the board.

Establishing stable board-management relations has been especially difficult in cases when community organizations hire for-profit management companies like Edison or Sabis. In some cases, boards have entered these relationships expecting to control all important decisions, and contractors entered expecting to be left alone to manage the school. A small number of schools simply could not cope with these pressures and disbanded or fired their contractors and started over.

Figure 2.4—New and public conversion charters see themselves highly accountable to their governing boards, parents, and chartering agencies



On occasion, one large organization will obtain charters to operate several schools, and use one board to oversee them all. Many such schools have little contact with their boards, and consequently the boards know little about the schools. The schools then operate almost entirely

as staff-run enterprises. One for-profit company has schools in several far-flung states, and the board members, mostly located in Michigan, only meet a few times a year. The schools check in frequently with the management organization, but the schools outside Michigan have little contact with the company's board.

School leaders and teachers who come from public schools and other government agencies are not accustomed to working with individual-school governing boards. In their experience, boards are public representative bodies that have virtually sovereign powers and can regulate or intervene in school operations virtually at will. This view of a board's role is incompatible with a school's internal accountability, to which a board contributes by providing a clear and stable framework of goals and principles, within which staff members have real freedom of action. Like private sector boards, boards of well-defined charter schools oversee the school's basic identity and strategy, but leave day-to-day management to paid professionals. They refer complaints and personnel issues to managers for resolution, and when performance slips to unacceptable levels they look to hire new managers, to whom once again they can entrust day-to-day responsibility.[15]

Clarifying relationships between the individual school's governing board and its management is a key to the development of internal accountability. Some boards (e.g., the board of an Arizona school for at-risk youth) place great trust in their hired managers and offer only occasional advice. Others make key strategic decisions for the school. But all well-functioning boards learn that they must let managers run the school on a day-to-day basis, and that a board that loses confidence in management must find a better manager, not remedy the situation by constant intervention and second-guessing. A well-functioning governing board makes the principal and other staff members accountable to a group with nothing at stake other than the interests of the school. Charter school boards are, in the phrase introduced by the authors of *Reinventing Government*, built to steer, not row.[16]

Not all such boards steer competently, and authorizers we interviewed told of charter schools that foundered because board members did not understand the limits of their roles, or because board members and principals engaged in destructive feuds. These feuds can continue even after some of the individuals have moved on. In one case, the board members that founded a charter school in Massachusetts have resigned, but not disappeared. The current board has thus been dogged by a self-appointed watch group, which has organized teachers and parents to challenge board decisions and question whether the school was being true to its charter.

Contentious board staff relations have plagued many new schools, especially parent or teacher-founded charters. The founders of some charter schools have spent the last few years trying to sabotage the school they gave birth to because they feel it has grown into something that did not match their original vision.

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[15] See Carver, John. *Boards Make a Difference: A New Design For Leadership in Non-Profit and Public Organizations*. San Francisco: Jossey-Bass non profit sector series, 1990. 54.

[16] Osborne, David, and Ted Gaebler, *Reinventing Government*, New York, Basic Books, 1991.

Most, however, learned quickly from experience. Some authorizing agencies (e.g., Massachusetts, Chicago, and several Michigan universities) have seen the importance of board development and require training and mentoring for inexperienced boards.

What Charter Schools Measure and Monitor

Many, if not most new charter schools, start as loose organizations with few formal systems for accounting, process monitoring, or assessment. However, knowing that they must justify themselves to multiple audiences impels most schools toward organized performance assessment. Although charter schools are obligated to take part in state testing programs and to report student attendance figures, there is nothing that absolutely requires schools to assess those results for themselves, or to use the results as basis for improvement efforts. However, as figure 2.5 shows, the majority of schools monitor student achievement and attendance. Most test students more frequently than the once per year required by their charters.

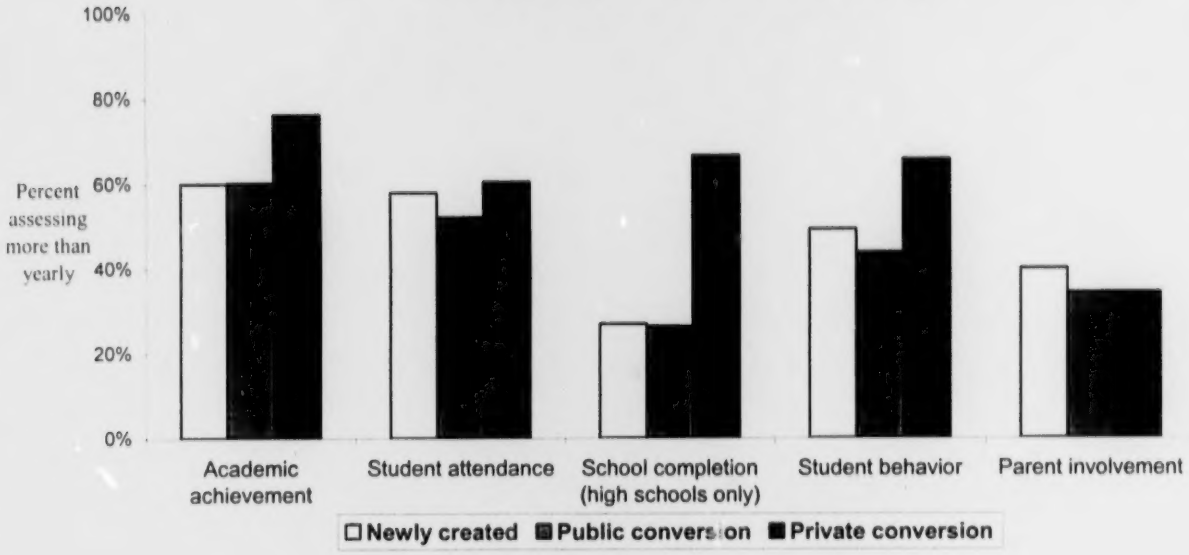
Figure 2.5 also shows that new schools are slightly more likely to monitor student behavior and parent involvement than conversion public schools. This almost certainly reflects new schools' greater commitment to providing a motivating environment for a particular group of students and their need to attract and keep committed parents.

The data from converted private schools might provide a preview of future self-assessment practices in charter schools. Former private schools, which were independent organizations before becoming public charter schools, are more likely to use multiple performance measures in almost all areas than other charter schools. This is probably due to their greater prior development as instructional organizations and to lessons learned long ago about the need to monitor many areas of performance and factor the results into school decisionmaking.

Conclusion

This chapter has introduced the basic concept of internal accountability. The next chapter shows how charter schools learn to maintain their integrity as instructional organizations in the face of pressures from families, teachers, donors, and authorizing agencies.

Figure 2.5—Most charter schools monitor many performance measures more than once a year



SECTION 3

How Schools Manage Accountability Relationships

Faced with complex external accountability relationships, how do charter schools cope? Are they pulled in many directions by the need to maintain the confidence of many different parties, including families, teachers, people who provide help and donate funds, and their authorizing agencies? Or can school leaders learn to manage all the demands on them efficiently? This chapter examines charter schools' relationships with key constituencies. Our main findings are:

Charter schools learn to manage their disparate external accountability relationships by clearly defining their approach to instruction and expected student benefits, and by making sure students get what the school promised. By "tending to their knitting" as managers of effective teaching and learning, charter schools keep their programs simple and ensure that the work lives of their leaders and teachers are, however demanding, nonetheless manageable. By avoiding relationships with families, teachers, and donors who want something that the school is not designed to provide, schools avoid developing constituencies that they cannot satisfy.

Charter schools are responsive to their authorizers, though school-authorizer relationships are not as sharply focused on academic performance as the theory of charter schools would predict.

Maintaining Family Confidence

Charter schools and parents are interdependent and therefore reciprocally accountable. Schools that cannot attract students do not get funding. Parents, on the other hand, want and need to send their children to schools that provide a caring and motivating climate and effective instruction. Evidence from our interviews confirms the results of national surveys, which show that parents choose charter schools because of the methods of instruction they offer, the safe and studious climate they maintain, and the sense of commitment to the individual child.[1]

In order to attract parents, charter schools must make, or at least imply, some promises. Most charter schools offer a smaller, more intimate setting, staffed by people who chose to work in the school. Parents also know that charter schools can be more responsive to individual needs

[1] See, for example, Berman, Paul, Beryl Nelson, John Ericson, Rebecca Perry, and Debra Silverman, *A Study of Charter Schools: Second Year Report, 1998*, Washington DC, the U.S. Department of Education, Office of Educational Research and Improvement, 1998, p. 99.

than regular public schools, since teachers and staff on site are in charge and cannot dodge a reasonable request by saying "the central office won't let us."[2] Most charter schools also expressly promise to be more open, interesting, focused on academics, and caring than regular public schools.

Though most parents do not want to continue shopping for schools once they have placed their child in a charter school, all know that they can leave a charter school if it does not keep its promises or if it fails to provide good instruction. Parents do withdraw their children from charter schools, for many of the following reasons predicted by charter advocates.

Some charter schools, as discussed above, do not "jell' quickly. Founder-parents are patient with such schools, but parents who chose such schools expecting them to be fully formed educational institutions can be disappointed. Further, parents are capable of wishful thinking when choosing a charter school. Some believe that a charter school will do things it never promised. Some parents find that methods of instruction that sounded appealing in the abstract do not in fact meet their child's needs. Some who have placed their children in brand new schools find that the school develops in directions they do not like. Some parents assume that a charter school will accommodate them or their children in any way the family desires, and find out that it cannot. Others choose charter schools after trying a series of public schools and finding them all somehow wrong for their children. Though a few "frequent shopper" parents find a charter school to be just right, many are as Finn and Manno report, prone to conclude that the charter school is also against them or their children and move on.[3]

Not all parents perceive that they have many choices. For some a charter school is a last resort. For others who have given up on conventional public schools, there is no practical alternative to staying with a charter school that is struggling or has a philosophy with which the parents are not entirely comfortable. In several of the schools we visited, parents were not apt to leave unless a situation became terrible or unsafe.

The numbers of parents who remove their children for these reasons are small. But all schools suffer some family attrition, and it creates leverage for new parents and parents who remain. Even the large numbers of schools that have waiting lists understand that they cannot survive if parents lose confidence in them.

For most parents, choosing a charter school is their most important form of involvement. Parent choice gives parents standing to make reasonable requests and get action. The school's control of its resources enables flexible responses to the needs of individual children. One parent

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[2] We did not survey parents, but interviewed many in the course of our school case studies. The statements about parents here reflect what we heard and observed in our case study schools. We cannot say for sure whether the relationships reported here apply to all charter schools. But we can say that they were remarkably consistent in the schools we studied.

[3] Finn, Chester E., Gregg Vanourek, and Bruno V. Manno, *Charter Schools in Action: Will they Save Public Education?* Princeton, NJ, Princeton University Press, 2000.

we interviewed had pulled her child from a Massachusetts public school because the administration would not put her in an advanced reading program. At the charter school, this fifth-grade student was put in the sixth grade for English and the fifth grade for math. This is the solution the parent was looking for and she is now content.

Parents who choose schools with firmly-established programs (e.g., schools run by large management companies such as National Heritage Academies, Edison, and SABIS) typically have confidence in the school's basic design even if they do not fully understand all the details of the curriculum and teaching methods. Many families choose schools run by Heritage and SABIS, for example, because they expect discipline, respect for teachers and other students, and back-to-basics courses. These families complain if the school does not live up to its image, but they are unlikely to get involved in day-to-day governance as long as the teaching and climate remain consistent.

Our case study schools are learning how important it is to help form parent expectations, to socialize them to the school, and to discourage parents who could never be satisfied with a school from enrolling their children in it. Schools that were once private and have converted to charter status have a head start on this, as many parents already have some idea of what to expect. Most, though not all, startups have a much harder time and usually take several years to articulate the school mission and vision well enough to attract the kinds of families that will fit well with the school, and give families good bases on which to join or avoid them.

One school in Michigan takes the parent education process very seriously. When prospective parents (or teachers) approach the director, he suggests they purchase books written about the curriculum and philosophy of the school so they have a better understanding of its principles. The school has also held seminars for both existing and potential parents about the programs and methods used by the school. A new district-sponsored school required prospective students and parents to complete a challenging questionnaire, which explored the family's real willingness to forego television in order to do significant amounts of homework, and commit to very high rates of attendance and effort. Such mechanisms ensure that parents clearly understand what the school offers. They are designed as much to help parents conclude that they would *not be* satisfied with the school as to increase enrollment.

Some have worried that this process might be used to exclude low-income or minority families.[4] We saw no evidence that this was the case. To the contrary, charter schools' clear expectations are often a magnet for poor and minority parents who feel strengthened and supported, not rejected, by schools that create high expectations.[5]

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[4] See e.g., Cobb and Glass 1999, and Horn and Miron 1999.

[5] The debate will continue over whether charter schools serve the "right" numbers of minority students. Our case study results are consistent with reports by others that many charter schools intend to serve diverse populations and take great pains to do so. See e.g., Berman et al., 1998. Finn et al., 2000.

What both schools and parents are learning about charter schools is that choice creates reciprocal accountability. Parents must meet the school's expectations as well as vice versa. This relationship is new and it is one of the charter school movement's greatest contributions to public education.

Though critics have warned that schools of choice would cater to parents' every whim, we saw no evidence of that in our case studies. Most charter schools try to attract parents by offering a definite instructional program. Most also promise individualization, but within the boundaries of the school's goals and approach to instruction. Thus, a student who needs extra help or some tutoring that provides new angles on the subjects taught can usually get it. But a parent who objects to the school's avowed approach to instruction, or who wants special concessions (exemption from attendance and discipline rules or family-supervised homework) is less likely to be accommodated.

Competent school leaders know that they must keep faith with other parents by putting the school's energy into the things it is determined to do well and staying the course. One highly regarded private African-American school in Michigan opted to become a charter school. The school's "internal gyroscope," its long waiting list, and a charismatic school founder all helped to keep the important elements of the school intact, even while it recruited a larger and more diverse student body and a teaching force that changed certain aspects of the school.

In sum, the charter schools we visited take account of parents' aspirations, but they are not dominated by parents' whims. Nor do they, as some critics have feared, compete for students on the basis of easy courses, lax requirements, or emphasis on entertaining noncurricular activities. To the contrary, the vast majority of charter schools we visited offer a safe, caring environment and many also promise high standards and heavy workloads. These promises are especially attractive to low-income and minority parents who feel that the public schools in their neighborhoods are chaotic and academically inferior.

Accountability to Teachers

A charter school needs to attract and keep a teaching staff that is not only able but also willing to provide the kind of instructional program promised in its charter. Thus, every school needs to provide the working conditions, climate, support, and pay that satisfy current teachers and impress potential teachers that it is a good place to work. Charter school employment of teachers leads to mutual accountability—schools must make and keep promises to teachers and teachers must perform effectively in the context of the school.

Some teachers have specific preferences about instructional style and would not choose to teach in a school that required methods that made them uncomfortable.[6] Most teachers,

[6] We did not survey teachers, but interviewed many in the course of our school case studies. The statements about teachers in this section reflect what we heard and observed in our case study schools. We cannot say for sure whether the relationships reported here apply to all charter schools. But we can say that they were remarkably consistent in the schools we studied.

however, make more general demands. They want to work in a caring, collegial environment where they carry few administrative burdens and where classroom practice is not always changed by mandates from on high.[7]

School leaders also feel accountable to their teachers. Most of the school heads in our case studies regard good teachers as assets that must be cherished and protected. Some schools have strict discipline policies for students and remove children from a class if they act out. For some teachers, this is an area that makes their job much easier and more rewarding. It also gives them a sense that the administration is there to back them up.

In our case studies we encountered no charter schools that have created exploitative "sweat shop" conditions for teachers. Most have tried to make teaching in the school as rewarding as possible. Because charter schools receive less public money than regular public schools, some offer lower average teacher salaries, though most pay about the same as neighboring public schools for beginning teachers.[8] They try to overcome these disadvantages with pleasant working conditions, careful consultation about important decisions, and more overt appreciation for teacher accomplishments. As Koppich et al. report, most, though not all, charter school teachers say they would choose to teach in a charter school if they had it to do over again.[9]

Some teachers joined charters expecting to play major roles in school governance. There are teacher-run charter schools, and a larger number of schools in which a small group of teacher-founders share administrative responsibilities. But most teachers who hoped to decide all matters by committee eventually change their minds: some see that constant committee work takes too much time away from teaching and gets too little done, and others simply burn out and return to conventional public schools. Most charter schools settle down rapidly, creating a clear set of well-defined roles, including division of some administrative responsibilities among teachers.

Most teachers who choose to work in charter schools want to collaborate with other teachers, making sure students' knowledge accumulates across different courses and between grade levels. They want school leaders to make collaboration possible by creating free periods for discussion and rewarding collaboration. But as charter schools mature, and teachers come to understand what is possible within them, teachers value internal clarity over open-ended deliberation on all matters.

Even in localities like Mesa, Arizona, where teachers are scarce and competition between charters and conventional public schools is intense, few charter schools have had trouble attracting capable teaching staffs.[10] Most teachers who choose to join charter schools in their first

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[7] Koppich et al.

[8] See Koppich, Julia E., Patricia Holmes, and Margaret L. Plecki, *New Rules, New Roles? The Professional Work Lives of Charter School Teachers*, Washington, DC, National Education Association, 1998, p. 26–34.

[9] Koppich et al., op. cit., p. 23.

[10] See, for example, Berman et al. p. 108: Less than 10 percent of all charter schools, including new schools, reported difficulty hiring staff.

few years of existence did so because they liked their school's educational philosophy and for other reasons consistent with the development of coherent, productive instructional environments.[11]

Some new charter schools also employ retired public school teachers, who are eligible for pensions and no longer want to work in conventional public schools. If a national teacher shortage predicted for the early-2000s actually occurs, charter schools might have to recruit high proportions of their teachers from unconventional sources—retired teachers, other retirees, and educated adults who are skilled in other fields but lack teaching experience. Teachers from these sources have had other professional opportunities and might be demanding employees.

Conversion schools, which often start out with the same teaching staff they had when they were conventional public schools, do not need to attract new teachers, at least at the start. But school leaders know that valuable teachers can choose to leave, and that retirement and residential moves will inevitably create turnover. Thus, a conversion school's reputation among teachers is extremely important. Conversion charters are attractive to teachers who are tired of being told that good ideas violate central office rules. However, some conversion schools have very little independence. This is particularly true for schools whose principals can be abruptly reassigned by the parent school district. In that situation, it is difficult for a school to promise anything in particular, and its accountability to teachers is thus weakened.

As with parents, charter schools' relationships with teachers are not always idyllic. Some new charter schools that started out without clear ideas about instruction experienced conflicts within the teaching staff, and between school leaders and teachers.[12] Of the schools we studied, some new schools experienced teacher and administrator turnover in their early months, and some came close to failing. Without judging each case, it is possible to say that these conflicts led many schools to sharpen their commitments on instruction. Many that endured staff conflict and attrition now present themselves more clearly to prospective teachers.

The need to make the school attractive to teachers puts a premium on internal accountability. Many teachers we interviewed remarked on the differences in internal communication in charters versus conventional public schools. They said that teacher-teacher and teacher-administrator communication is more personal, more frequent, and more focused on instruction in charter schools than in conventional public schools.

Some teachers in new schools found the requirement to renew their contracts each year unnerving, but were convinced of its value. One teacher said that during her 4 years at a traditional public middle school, no teachers left, even though several were vocally unhappy with their jobs and vigorously resisted efforts to upgrade the school's teaching methods. As this teacher said, when it happens for the right reasons turnover can be healthy. At these charter schools, good performance is praised, bad performance is dealt with and people who do not want to work in a common enterprise are encouraged to find other schools where they will fit in better. Teachers we interviewed said this gives the school an atmosphere of fairness and energy.

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[11] Finn, Vanourek, and Manno, op. cit., ch. 2.

[12] See Berman et al, op. cit., p. 106–109. Nearly 20 percent of charter schools reported problems with internal conflicts.

Many teachers we spoke with described their charter schools as having a "professional environment" of shared responsibility and demanding mutual accountability. At a conversion school in Georgia, teachers attributed this to their school's charter status, saying that it forced them to work constantly on school improvement. Though teachers started by working in their own autonomous zones, they soon realized that the school was going to be held accountable at the end of the year for test scores, and this led them to begin to talk seriously with each other. Charter school status meant that the school had flexible funds, which allowed them to bring in a consultant who helped them focus their staff development on particular instructional improvement goals.

In general, the charter schools in our case studies rely heavily on good reputations to attract teachers. In many cases teachers who are having a difficult time are noticed quickly and offered extra support and mentoring. Teachers have personal relationships with the principal that help them feel listened to and valued. These charter schools have the flexibility to deal with teachers individually and creatively to help them grow.

How Relationships with Authorizers Affect Internal Accountability

No matter how carefully they manage connections with parents, teachers, and others, charter schools must always tend their relationships with authorizers. Authorizers approve charter applications, release public funds so that schools can use them, and must ultimately decide whether to renew the charter when the school's term expires (5 years in most states, up to 15 years in Arizona and an unlimited number of years in the District of Columbia and Michigan). This section focuses on how schools manage their relationships with authorizers. Section 4 immediately following discusses how authorizers operate.

How does the key external accountability relationship between school and authorizer affect the internal life of a charter school? Charter schools are not controlled in detail by their authorizers, but there are times in which relations with authorizers are critical.

Authorizers are all-important before a school gains its charter. Groups drafting charter proposals must consider whether what they want to do meets the authorizer's priorities. In states where there are multiple routes to charter approval, such groups can select the authorizer most likely to be friendly to their ideas. Then, throughout the process of proposal drafting, submission, defense, and amendment the group seeking a charter must pay rapt attention to the authorizer's concerns. This intense focus on the authorizer continues until the charter is approved and sometimes longer. Schools that must find new space are often subject to careful scrutiny until after the school is open and teaching students. [13]

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[13] For information about charter approval and startup see Millot, Dean and Robin Lake, *So you Want to Start a Charter School? Strategic Advice for Applicants*, Recommendations from an Expert Workshop, Seattle, Center on Reinventing Public Education, 1996. See also Finn, Manno, Bierlein, and Vanourek, 1997, op. cit. Berman, Paul, Beryl Nelson, Rebecca Perry, Debra Silverman, Debra Soloman, and Nancy Kamproth. *The State of Charter Schools*, Third Year Report, Washington DC, U.S. Department of Education, Office of Educational Research and Improvement, 1999, p. 41–54.

Once a school is opened, a school's relationship with its authorizer is not an everyday concern. School staff, the governing board, and founders focus their energies on day-to-day school operations. The inevitable startup crises—facilities problems, a teacher out sick, more or fewer students than expected, conflicts between the school head and the governing board, a new faculty member who did not take seriously what was said about the school's teaching methods—consume everyone.

Even after school is up and running, the focus of most energy is internal. Heads of charter schools are at least as busy as the principals of regular public schools—perhaps more, since they must also manage a facility, keep positive relationships with a governing board, deal with parents who can threaten to remove their children from the school, and in many cases, lead a newly-assembled teaching staff.

Heads of new charter schools attend meetings that they call for the school's purposes, but they try to minimize meetings with their authorizers. In contrast, heads of most conversion schools feel the same obligation as principals of conventional public schools to respond to district demands for their presence. This leads to a big difference between new and conversion schools in how much time the principal has available to spend on the school's internal business.

Most school leaders remain aware of their promises to the authorizer, and of unresolved issues that might lead the authorizer to ask for data or conduct a monitoring visit. However, many school leaders know that the authorizer is very unlikely to initiate any contact. This is especially true in states like Arizona, where some authorizers are responsible for dozens of schools but have little or no staff capacity,[14] and in states where school districts authorize schools but manifestly take no interest in them.

As the next section will show, some authorizers are highly active and remain a frequent—at least monthly—presence in the lives of their charter schools. The Massachusetts State Charter School Office and the Chicago Public Schools Charter School Office are examples of active authorizers that have very frequent contact, both formal and informal, with individual schools. Other authorizers are less active, but any of them can become engaged when problems in the school come to their attention--parent complaints, feuds, firings, lack of fiscal controls leading to budget crises, conflicts with contractors, etc.

As figure 3.1 shows, schools in our sample states rate their authorizers as an important, but not the primary, external entity to which they are accountable. Except in Michigan and Arizona, school leaders are more keenly aware of the need to maintain relationships with their own governing boards, parents, or the state education agency than with their authorizer.

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[14] The Arizona State Board of Education employs two staff members to oversee their 55 charter schools. Charter schools are only a small part of the responsibilities of this department that also establishes educational policy for all schools in Arizona. The State Board of Education has tried to tighten its application process, but once a charter is awarded, they do little more than monitor the schools for compliance. Boxes of paper 3 and 4 feet high line the walls of the state office, and the director acknowledged that she had only physically visited about half (29 of 55) of the schools. Usually the "problem" schools got the visits (i.e., the schools that parents complained about). She generally conducted these visits on her own and they were informal in nature. Surprisingly, she said that she could only "recommend" that a school take certain corrective actions, but that her office really had "no teeth" to force compliance.

In general, the more smoothly a school operates the less it has to do with its authorizer on a day-to-day basis. Most authorizers fall on the reactive end of the spectrum, since few have the resources to pay close attention to what schools are doing. Authorizers pay selective attention, driven by conflicts and complaints from within the school or from its neighbors. Scandals, and charges of illegal activity or misuse of funds, will always draw authorizers' attention.

Internal conflicts that draw the attention of authorizers or newspapers weaken the school. School heads soon learn this. So do teachers and parents when they see that the school's ability to take action and solve its own problems is important to them. The majority of charter schools quickly learn to avoid conflicts by describing the school up-front in ways that discourage people with incompatible expectations from taking jobs or placing students there.

Dealing with Authorizers on School Effectiveness

All the charter schools in our sample assess their own academic performance and provide required data to their authorizers. The charter schools we studied were quick to create instructional improvement strategies when they, their authorizers, or parents, identified school-wide deficiencies in student performance.

Nationwide, only four charter schools have been closed by their authorizers for poor academic performance.[15] However, a much larger number—based on our case studies at least one in 20 charter schools—have received comments from authorizers based on poor student test results. These interventions almost always lead to intense work within the school (including some brief periods of frantic overwork) leading to greatly increased time on instruction in the areas where the school is weak. In this way charters are not different from conventional public schools that come under threat of sanctions for low performance.[16]

Charter schools generally do not look to their authorizers for technical assistance. Moreover, some important authorizers—including the Massachusetts and Chicago Charter School Offices—have made conscious decisions to stay out of the "assistance business." They fear that advising a school would conflict with their job of assessing the school's progress. These agencies, however, refer schools to nonprofit resources centers and other sources of assistance.

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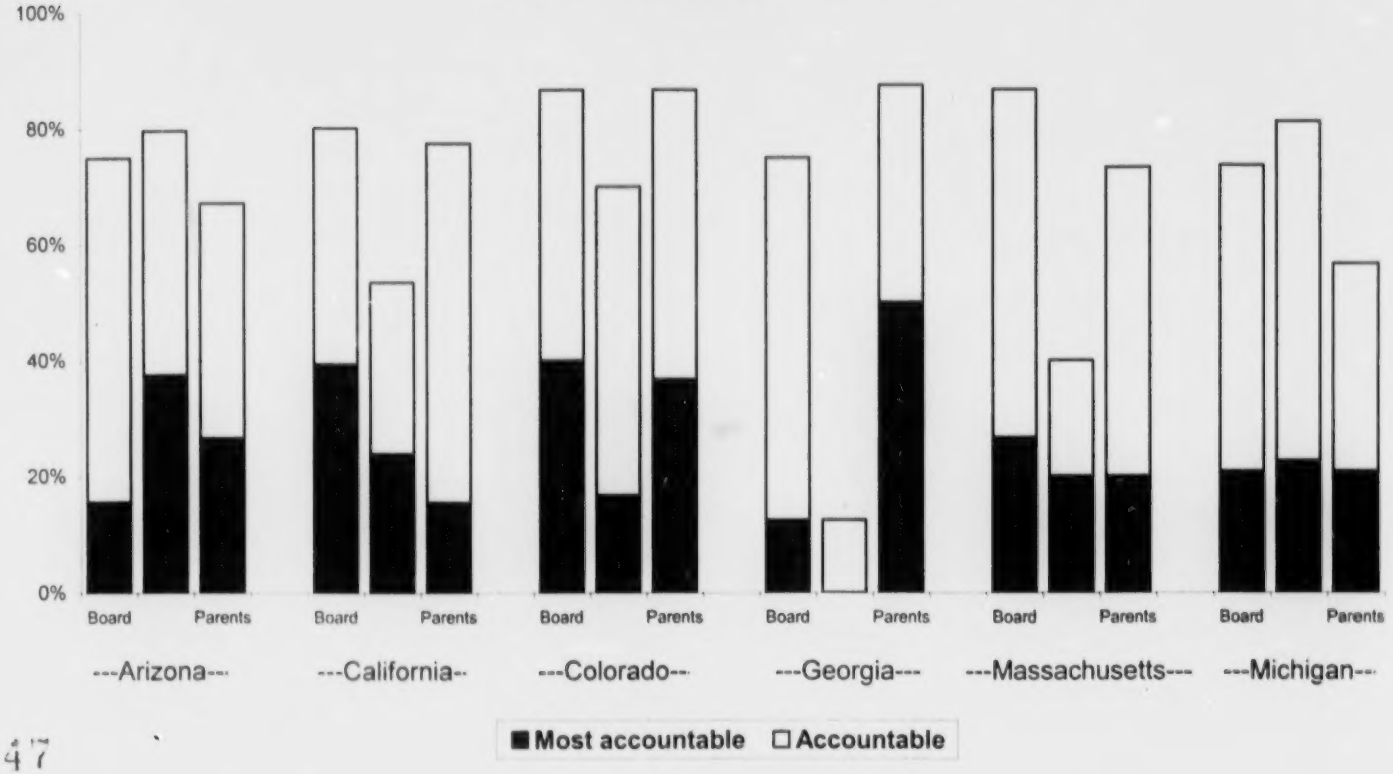
[15] See Charter Schools, A Progress Report: Part II, Closures. *The Opportunity for Accountability*. Center for Education Reform, 1999.

[16] For an account of how low-performing public schools in a standards-based reform state respond to ominously low scores on state standards-based tests, see Lake, Robin J., and Paul T. Hill, *Making Standards Work*, Washington DC, The Thomas J. Fordham Foundation, 1999.

Figure 3.1—In most states, schools see themselves primarily accountable to their governing boards and parents



As discussed in the next section, both the Massachusetts and Chicago charter school offices have created independent review teams that conduct periodic reviews of school operations. Though charter school leaders find "inspection" visits uncomfortable and anxiety provoking, most say that the results are an extremely helpful, if sometimes grim, account of a school's strengths and weaknesses. Inspection results can help school staffs get beyond minor personal differences of opinion and focus on the most critical school wide issues.

At one school, administrators described an inspection team's findings as "right on." In 1 day the visitors were able to see that school leader-governing board conflicts and facilities problems were plaguing the school. The report served as a wake-up call and a lever. Realizing that their charter might be in jeopardy, the school's governing board immediately backed off in their overzealous involvement of the day-to-day operations and more aggressively began looking for a new facility. An administrator who had been at the school since it opened said, "We knew the board's micromanaging was destructive, but we didn't have the leverage to make them stop. We appreciated the report because it helped us get something done at the school that we might not have been able to do on our own."

Conclusion

Chartering puts schools into a unique combination of accountability relationships, as described above. But does the need to maintain the confidence of multiple constituencies distract teachers and administrators from the schools' main business of providing effective instruction to students? Based on the evidence in this section, the answer to that question is a qualified no. For most charter schools, the best way to maintain the confidence of all these constituencies is to tend to the academics, serving students well and keeping promises about the type and quality of instruction delivered. In the vast majority of situations we studied, charter schools do not have to "buy off" their different constituencies by making concessions that compromise instruction. They can meet their obligations to authorizers, parents, internal board members, teachers, and donors in the same way, by making the school a good place to learn and to teach.

Charter schools do get into trouble. As we have seen, a school threatened with loss of parents, or a teacher walkout, strife on its governing board, or withdrawal of financial support from a donor, must go into a crisis mode. Schools that do not resolve these crises perish (or never open, as has happened several times in Massachusetts and Chicago).

The mechanism by which schools manage their different relationships with external constituencies is internal accountability—a clear division of responsibilities focused on accomplishing the school's goals for students. Internal accountability is related to a broader concept we have introduced in other research, *integrative capital*, which is the set of all values, commitments, and responsibilities that holds a school together and ensures that it can and will

provide students the experiences they need in order to learn.[17] Integrative capital includes traditions, values, leadership, and shared experience about what works for students. Internal accountability is an aspect of integrative capital. It is the arrangements a school makes to ensure that it can meet its commitments to legitimate external constituencies without abandoning its goals for students.

Tensions among parents, teachers, governing boards, and donors can strain any school. But in charter schools that survive the first 3 years of turbulence and role-clarification, the need to maintain the confidence of all these parties strengthens the focus on motivating and educating students. Private schools are similarly strengthened by their need to create relationships of trust and confidence with parents, teachers, governing boards, and donors.[18]

Internal accountability must be created and tended by the people who work, volunteer, and learn there. No external authority can create internal accountability simply by commanding it. In fact, as Fred Newmann has argued, external authorities can destroy internal accountability by forcing school teachers and leaders to spend all their time on matters other than providing quality instruction.[19]

Charter schools become internally accountable for two reasons; because they must, and because they can. They *must* be internally accountable because coordinated, consistent effort is necessary if the school is to keep all its promises and survive. They *can* be internally accountable for many reasons: Because they control their own processes and assets. Because they can decide whom to hire, and assign staff flexibly. Because they can invest in teacher training, new equipment, and other assets to improve instruction. Because they can assess their own performance and initiate their own correctives. Because they can inform parents in advance about what children will and will not experience.

The consequences of charter schools' accountability relationships with government agencies—their authorizers and agencies with broader jurisdiction such as like civil rights agencies and building inspectors—are less clearly conducive to internal accountability. As the next two sections will show, such agencies are having great difficulty defining their own powers and responsibilities toward charter schools.

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[17] Hill, Paul T., and James W. Guthrie, A New Paradigm for Understanding (and Improving) Twenty First Century Schooling, ed. Murphy, Joseph and Karen Seashore Louis, *Handbook of Research on Educational Administration, Second Edition*, San Francisco, Jossey-Bass, 1999.

[18] See Bryk and Lee, *op. cit.*, Hill Fostrer, and Gendler *op. cit.*, Coleman , James S., and Thomas Hoffer, *Public and Private High Schools: The Impact of Communities*, New York, Basic Books, 1987.

[19] Newmann et al, 1997, op. cit.

SECTION 4

Authorizing Agencies and Charter School Accountability

As explained in the previous section, a charter school's relationship with its authorizer is seldom the primary issue on the minds of school leaders, teachers, and parents. However, the school-authorizer relationship matters. It can enhance or detract from the school's focus on instruction and its internal accountability.

Unlike the preceding section, which focused on how schools respond to the pressures upon them, this section focuses on authorizers and the ways they fulfill their roles. The results of our national survey of charter authorizers[1] and case studies of school-authorizer relationships can be summarized as follows:

> Though many groups were prepared to run charter schools, no government agencies were prepared to oversee charter schools. Authorizers are just beginning to learn how to solicit charter applications, screen applicants to find the most promising providers, assist, assess performance, reward, sanction, terminate, or reauthorize charter schools.
>
> Lacking capacity (expertise, organization, and tools with which to measure and judge individual schools) most authorizers focus on the familiar—evidence that a school is financially solvent, avoids scandal, and complies with all applicable laws—more than on a school's measured academic performance.
>
> Those authorizers that do attempt to measure and judge a school's academic performance must struggle with three fundamental issues:
>
> - How to measure a school's contribution to student learning;
> - How to tell the difference between a school that is improving and one that is not; and
> - Whether to require that, in order to maintain their charters, schools must equal or exceed the levels of student achievement growth attained by conventional public schools serving similar students.

[1] Judith Vitzthum's extraordinary work conducting the authorizer survey, and obtaining a 100 percent response rate, made an indispensable contribution to the study.

Authorizers differ on how willing they are to approve charter applications and how assiduously they monitor the performance of schools they have chartered. Though authorizers' duties and powers vary from state to state, neither state law nor an authorizer's status (as a school district, special-purpose state charter office, or other state entity) is a perfect predictor of how an authorizer will relate to schools.

This section reports in greater detail the findings listed above.

Authorizers Unfamiliar with Chartering

Authorizers' startup problems are analogous to the startup problems of schools. Public school boards are not accustomed to receiving proposals from new groups that want to run schools, subjecting such proposals to careful review, establishing enforceable performance agreements with individual schools, monitoring schools on the basis of performance, or making decisions on whether a school will live or die based on whether the school performs as promised. Moreover, few authorizers are accustomed to overseeing schools that control their own resources, hire staff, and maintain the confidence of parents and teachers, lenders, and private funders. Whether authorizers are school districts, newly created state agencies, or existing state agencies (like colleges and universities) or city governments that are newly empowered to sponsor charter schools, all must solve unfamiliar problems and develop new capacities.

Some authorizers have never before authorized or overseen K–12 public schools. Others, mainly local school districts, have traditionally operated public schools directly but are now required by state law also to provide schools in a new way, by entering contracts with independent parties.

Most authorizers received their first charter school applications before they had created a specific review and selection process. They created ad hoc processes for the first applications and applied lessons learned during the first approval processes to later applications. However, because of shifting requirements, lack of clear documents, and changing actors, potential charter applicants in many localities still have reason to wonder what steps they must go through to gain approval and what criteria will be applied by the authorizer.

Of all the local school districts empowered to authorize charter schools in the six states we studied, only 7 percent have ever done so. Among those school districts that have chartered schools, few granted charters in response to applications from members of the general community: the majority either initiated the charters themselves or converted a previously existing public school to charter status. In contrast, state agencies and a few colleges and universities aggressively sought proposals from community groups and others outside the orbit of conventional public schools.[2] As figure 4.1 shows, these agencies are more likely than local districts to make public announcements of charter availability and provide technical assistance and materials on accountability to prospective charter applicants.

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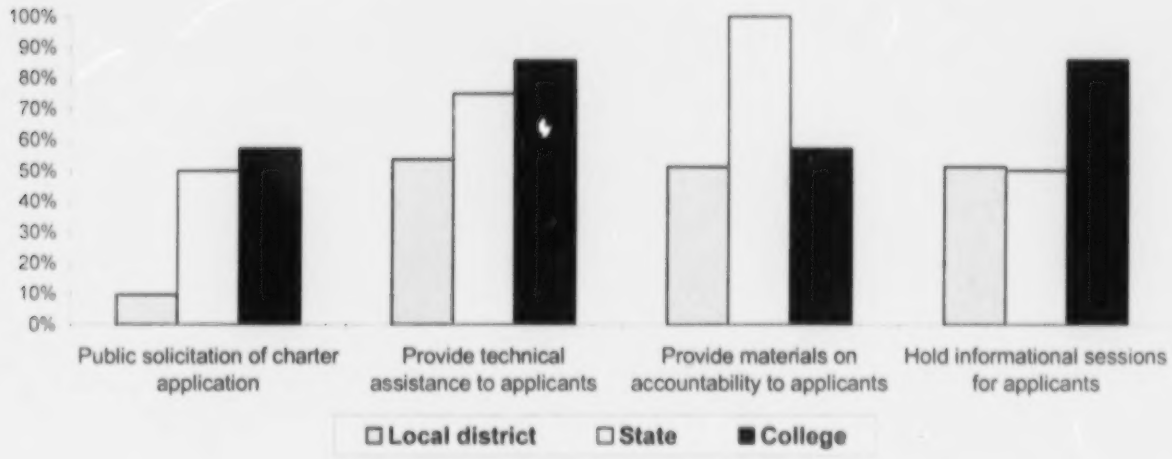
[2] In this report, data about colleges and universities are dominated by the experience of Central Michigan University, the first institution of higher education to authorize and oversee large numbers of charter schools. After our research was completed, additional universities in Michigan and elsewhere have taken similar approaches to chartering.

Figure 4.1—Authorizers differ on how aggressively they seek and help charter applicants



Most state charter school laws require significant community and local school participation in the review and judgment of the charter proposal. As figure 4.2 shows, how this is worked out in practice differs greatly from one type of authorizer to another. In general, school districts relied on school board members and public school administrators to review charter proposals. State agencies and colleges and universities relied on agency staff and community leaders.

Because local school districts acting as chartering agencies seldom announced the availability of charters, they received few unsolicited applications and thus, rejected few. According to data from our survey of authorizing agencies, local school districts chartered 84 percent of the schools that applied for charters, while state agencies chartered 55 percent of applicants and colleges/universities chartered only 30 percent of applicants.

Of all the groups of authorizers, state colleges and universities have the highest case loads and receive, review, approve, and reject the greatest number of charter applications. As figure 4.3 shows, state colleges and universities also judge applications on the widest range of criteria. Compared to local school districts, colleges and universities are more likely to reject proposals on the grounds of overall quality. Local school districts, which mostly deal with existing public schools or familiar groups within the public school system, are much less likely to reject a proposal for any reason, including proposal quality. Though we asked all authorizers whether they rejected proposals because of opposition from teachers, the local school district, or the teachers' union, these reasons were seldom cited.

Figure 4.2—Authorizers differ on who reviews and makes decisions about charter application

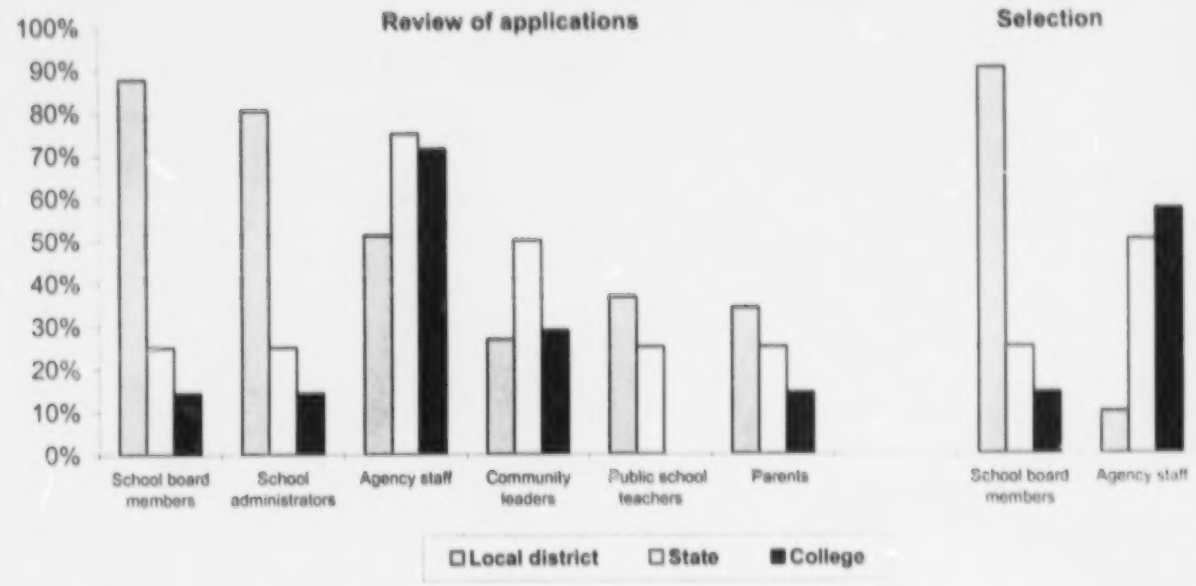
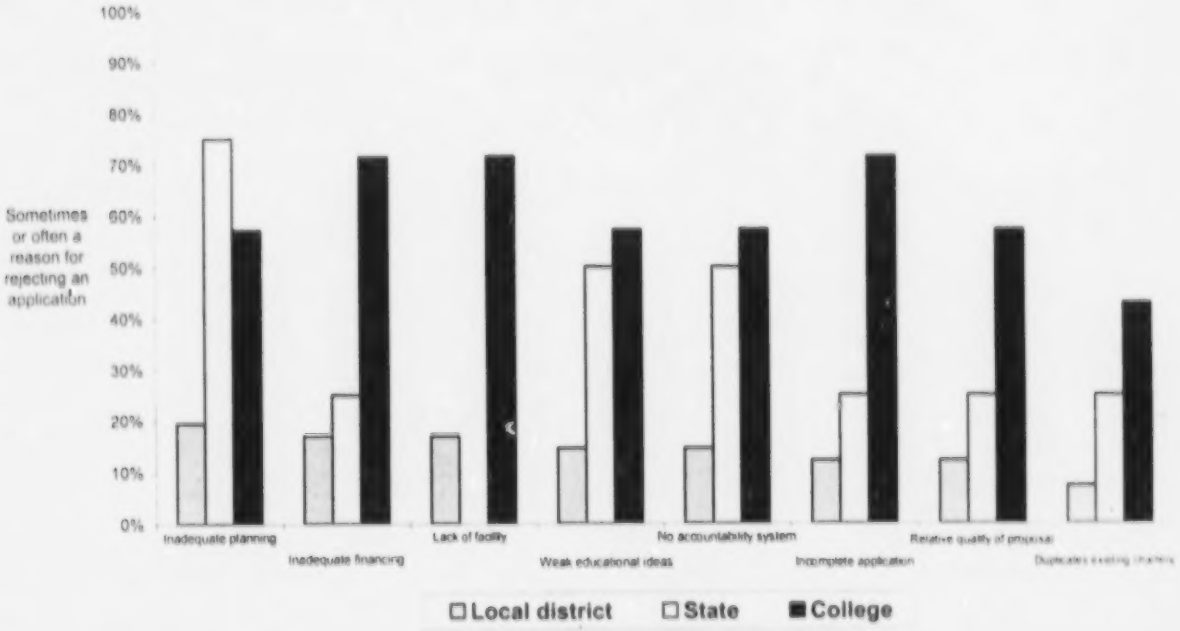


Figure 4.3—Authorizers' reasons for rejecting charter applications

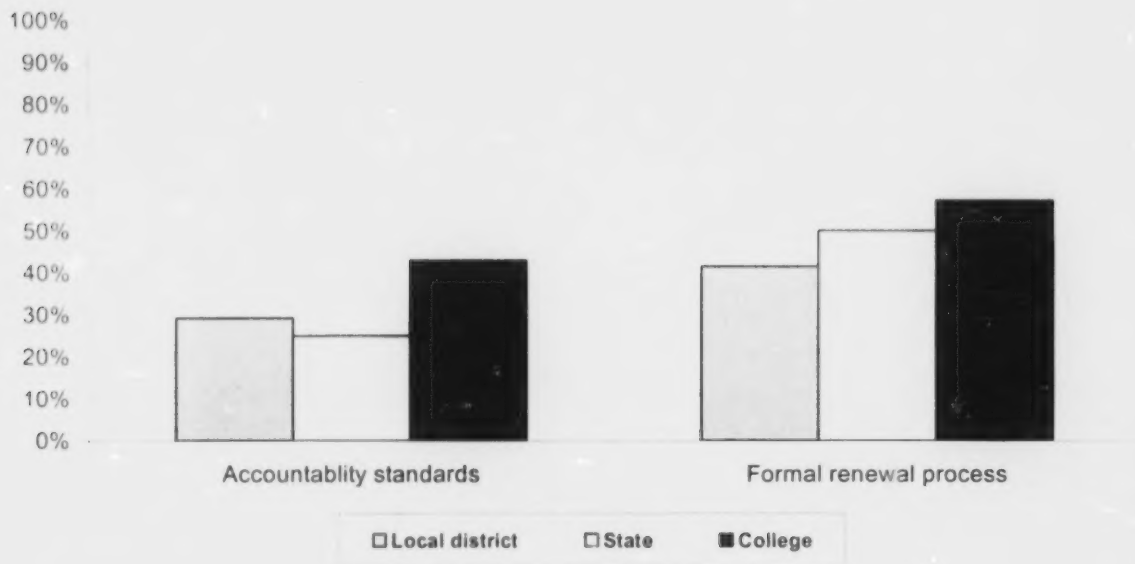


Lack of Authorizer Capacity Leads to Emphasis on Propriety Over Performance

As the results of our authorizer survey show, the ad hoc character of authorizers' actions continues after school charters are granted. Few authorizers provide written accountability standards for their charter schools, and only slightly more establish formal renewal processes toward which charter schools might work. Overall, only 27 percent of the chartering agencies reported having written accountability standards, and an additional 4 percent said these were under development. Similarly, only 38 percent of the agencies had a formal renewal process. Another 6 percent were developing such a process at the time of our survey.

As figure 4.4 shows, state colleges and universities that chartered schools are somewhat more likely than other authorizers to provide well-structured accountability processes.

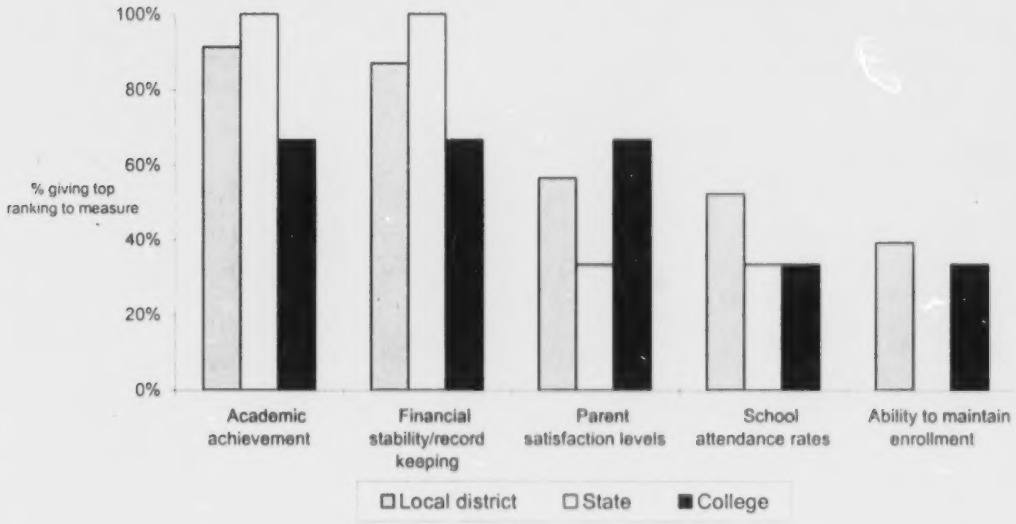
Figure 4.4—Only a minority of authorizers provide written accountability standards and a formal renewal process



For those agencies with renewal processes in place, the most commonly required reports from schools were formal records of school progress toward goals (cited by 29 percent of all authorizers), a final summary report from the school, and a financial audit. Fewer agencies require the completion of a renewal application form or a strategic plan for the future of the school.

Agencies also differed on the performance measures they would consider in renewing charter schools. As figure 4.5 shows, academic achievement and a school's ability to demonstrate financial stability were highly important to all authorizers. State agencies were less likely to emphasize parent satisfaction than were local school districts and state colleges and universities.[3]

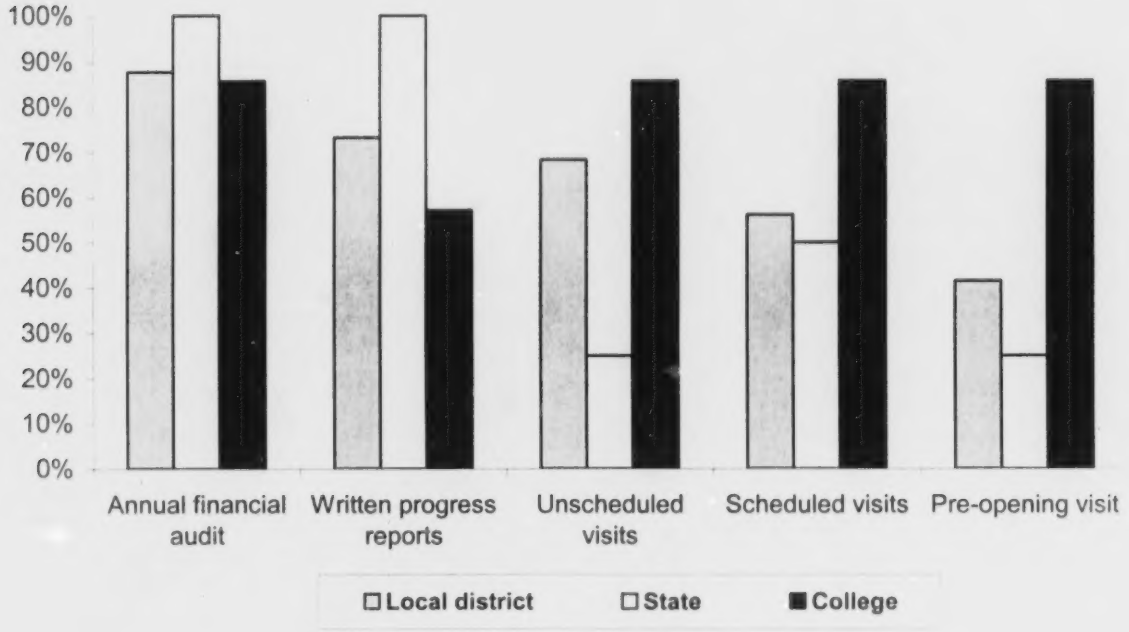
Figure 4.5—Most authorizers say they will give great weight to student achievement, financial stability and parent satisfaction



Despite their announced interest in academic achievement, most authorizers monitor charter schools via financial reports and site visits, rather than through reports on student achievement. Our analysis of RPP's national survey of charter schools shows that schools receive more requests for information about finances than about any other topic.[4] Our survey of authorizers confirms this. As figure 4.6 shows, the vast majority of chartering agencies monitor their schools via an annual financial report and narrative progress reports. School districts and state colleges and universities also relied on site visits in which agency staff or consultants develop a general impression of the school's health. (Based on our case studies, however, these visits must not be very frequent. Few schools reported being visited by their authorizer more than once each year.)

[3] No state authorizers ranked "Ability to maintain enrollment" as their primary measure.
[4] Berman et al, op. cit.

Figure 4.6—To monitor performance, state agencies gather reports; colleges and local districts "visit"



School-Level Implications of Authorizer Actions

Many chartering agencies lack funds or are under political pressure to stay small. Most lack tools for measuring performance. Authorizers of all kinds (districts and others) are often hamstrung by lack of funding or people power to use tools, even if they had them. Often, they employ one or two people to handle the workload of approving and overseeing charter schools. In some cases, such as 1 agency in Arizona, 2 people oversee more than 50 schools in a wide geographic area. They do not have the manpower to visit their schools so they invest their time in approving new schools and taking care of any serious problems that arise. Some agencies can take fees from schools or otherwise get money to support thorough oversight. Some have funding but, like authorizers in Arizona, are under political pressure to not hire new staff. Some larger agencies, such as the Massachusetts State Board of Education or Central Michigan University, have turned to contractors to perform oversight functions for them. Smaller districts have usually relied on using current staff in various departments to oversee different aspects of the charter schools' programs.

In part due to lack of clarity in charter school laws, authorizers are also often uncertain about exactly how they relate to their charter schools. In particular, there are often many gray areas in a school's relationship with a school district authorizer. Is the school really part of the

district? To what extent does the school administrator have the right to refuse to attend district meetings? Many consider charters as just another form of special program or magnet, still completely controlled by the district.

How authorizers view charter schools creates tensions for everyone. In California, the state can authorize charter schools, but a school is then attached to the school district that serves its geographic area. Both the state board of education and the local school boards have asserted that they are legally in charge of charter schools; schools often do not know by whom, or on what bases, they will ultimately be judged. As a result, many schools are afraid to offend anyone, and accede to authorizer requests that the charter law says they are exempt from.

A charter school we visited in Arizona was nearing renewal in 1998, but leaders of the school were still unsure about how the school would be judged. The school's principal told us, "When we opened our doors in 1993, we were clear about our mission, but two directors later and after a shift in the Governor's office, it's unclear what we really need to do to become renewed." The confusion in this Arizona charter school is typical in the states we visited. Charter schools' relationships with their authorizers are defined in part by law and in large part by ongoing state and local political struggles.

California school districts have received little guidance from the state as to how they should hold charter schools accountable for academic results. Everything depends on district capacity and attitude about charter schools. Local boards that have strong accountability requirements for all their public schools tend to have the best accountability agreements with their charter schools.[5] To address the need for fair and high quality reauthorization processes, California's charter school association, the California Network of Educational Charters (CANEC), has developed voluntary guidelines for charter school reauthorization. And the Charter School Development Center (under former Senator Gary Hart's Institute for Education Reform) now offers accountability workshops for both charter schools and their sponsors. Similar efforts to help schools and agencies clarify their expectations are taking place in most states we visited.

Schools are also learning how to solve or prevent problems before they start. One Colorado charter school chose to hire a new director in order to smooth out relationships with the district's charter school liaison. In California, one school invested $7,500 training its staff in the district's record keeping system. This allows the school to turn in reports that are completely compatible with the district's, causing the district no extra work, and keeping relations amicable. One school serving at-risk students in California decided to start turning in unsolicited progress reports. The school director did not know how these reports would be evaluated, but said they wanted to avoid being forced to respond to data requests that might overlook the school's accomplishments. Thus, they took the initiative defining and providing evidence on the school's performance.

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[5] See Powell, Judith, Jose Blackorby, Julie Marsh, Kara Finnegan, and Lee Anderson , *Evaluation of Charter School Effectiveness*, Menlo Park CA, SRI International, 1997.

In sum, charter schools have learned that their authorizers often lack capacity and might not be able to judge them on the basis of performance. They therefore deal with authorizers politically, building personal relationships and accumulating supporters who might protest any actions negative to the school.

Judging Charter School Success and Failure

State charter school laws (and state regulations implementing such laws) generally assume that charter schools will administer student achievement tests, and results will be compared to some standard or reference group. It is often authorizers' job to identify tests and perform the appropriate comparisons. Authorizers also must judge schools fairly, taking account of differences in the schools' missions, neighborhood circumstances and the prior academic preparation of students served. To support these complex judgments, authorizers must not only obtain quantitative outcomes data such as student test scores and dropout rates, but also take account of more complex aspects of performance—fulfillment of promises outlined in the charter, quality of teaching, and rigor of curriculum.

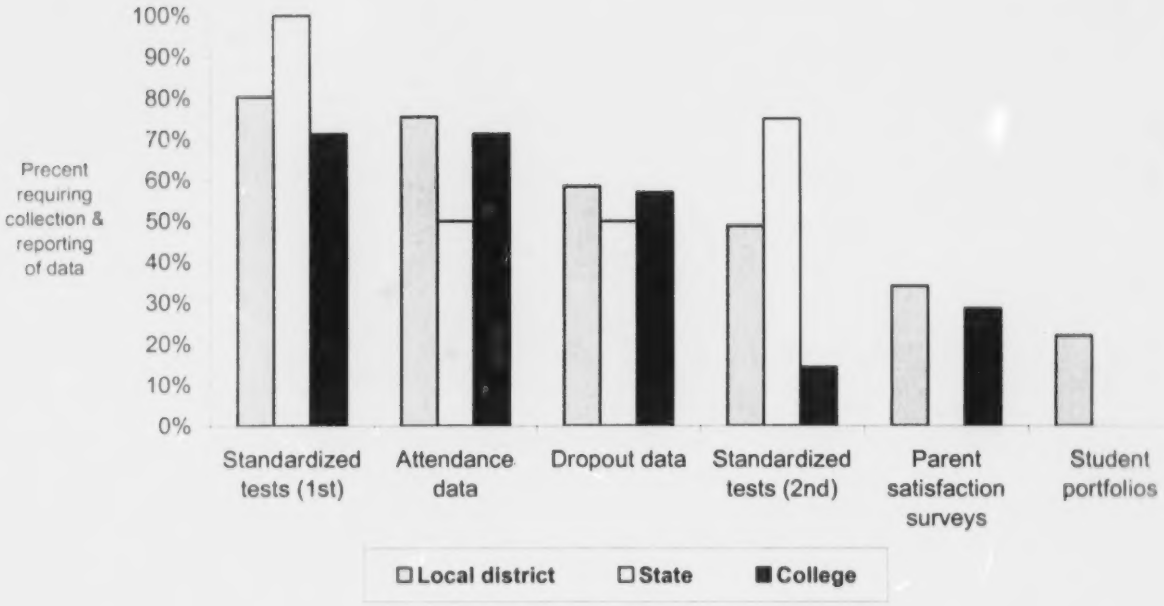
School districts and other charter authorizers are wary about defining charter school performance solely in terms of student test results. Authorizers that favor charter schools are also afraid of placing insupportable burdens on some schools that, because of their location in low-income areas or their chosen mission, serve educationally disadvantaged children. They do not want to be forced to revoke a charter from a school in which absolute achievement levels are low but students are learning more than comparable students in conventional public schools.

What is yet to be determined in many states is the standard to which charter schools will be held when it comes to renewal. Some argue that as long as the schools are performing adequately, satisfying parents and drawing enough students, they should be allowed to continue. Others say that even if parents are happy with a school, if it is not outperforming conventional schools with similar demographics, it should not be renewed. Even within the same authorizing organization, opinions differ on this subject. Most states have just entered the renewal process for their first round of charter schools. They are learning in real time about how to balance the many competing opinions of how charter schools performance should be measured and valued.

Though only a minority of chartering agencies report promulgating written accountability standards or having a formal renewal process, most require collection and reporting of some form of student achievement data. As figure 4.7 shows, all state agencies and the vast majority of other authorizers required at least one student achievement test[6] per year. State agencies often required that students be tested twice each year. Majorities of all types of authorizers also required additional performance-related data such as student attendance and course completion.

[6] The Stanford 9 was the test most commonly required.

Figure 4.7—Authorizers require achievement tests and other data on school performance

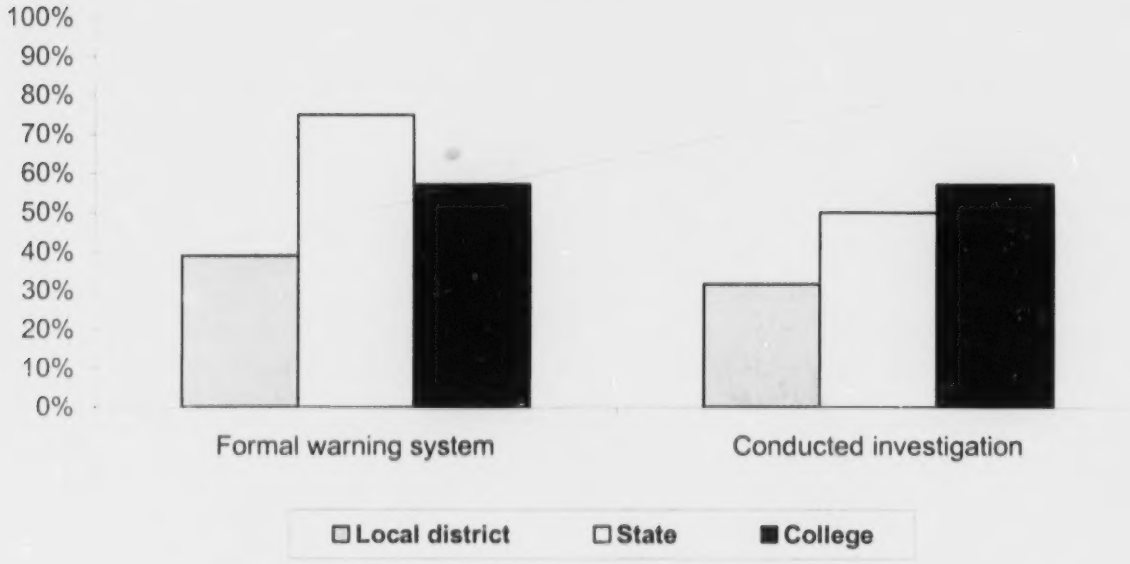


Regardless of the quality of performance information they receive, most authorizers judge charter schools in ways that are familiar to government agencies—responding to complaints and reacting to crises. Most however, are not well prepared for such events and lack warning or probation routines that would help them to deal with a school's problem that is unacceptable, but not dire enough to warrant charter cancellation. Local school districts are particularly ill equipped in this regard.

In this light, it is no surprise that relatively few of the authorizing agencies we studied report that they have ever conducted an investigation of a charter school. Just over one-third of all the agencies have conducted such an investigation. State colleges and universities are most likely to have taken such a step.

Complaints received from parents were the most common trigger for an investigation of a charter school, with 29 percent of the agencies reporting such complaints. Other fairly important "triggers" were failure to comply with terms of the charter and financial irregularities. A mere handful of agencies reported investigating a charter school because of low test scores, declining enrollment or complaints from teacher unions. As figure 4.8 shows, even when investigations do take place, very few of them result in more than minor changes in school operations.

Figure 4.8—State agencies are most likely to have a formal warning/probation system, but colleges/universities are more likely to conduct investigations



Related to the issue of monitoring and assessing charter schools is the question of how much an authorizer should intervene in a shaky charter school. If during a site visit or through collecting data an authorizer finds that a school is floundering, should it provide advice and technical assistance to help the school improve? Or might that blur the lines of responsibility so that at renewal time, a school could say, "We did what you told us to do and we still didn't improve. It's not our fault." In response to this quandary, some authorizers provide the school with their findings and leave it up to the school to decide whether or how to proceed. Others refer schools to organizations that provide expertise in a particular area. Only a few of the authorizers we studied prescribe the changes the school should make.

To date, most authorizers have been handicapped by a lack of good testing programs that are well matched to charter school goals and student needs. Many seek to look beneath the absolute numbers to determine how well a school is doing, conducting annual site visits to meet with teachers, parents, students, and board members.

As we will discuss in greater detail immediately below, most authorizers have limited staff and little experience in a role that requires them to make judgments about school performance that lead to decisions about whether to close individual schools. Though some

authorizers are avoiding these responsibilities in hopes that they will go away, others are building capacity. Some are creating new units responsible only for charter school oversight. Chicago's charter school office is relying heavily on business and financial communities to help build the capacity to identify the most promising charter school applicants and monitor schools' organizational health and academic performance.

Some authorizers are also contracting out for accountability related functions that they cannot perform themselves. Massachusetts, Chicago, and the Colorado Charter Schools Association are creating or hiring independent groups to perform school inspections. Their hope is to obtain richer, more detailed information about school quality than test scores alone can provide. Groups of experts visit schools to assess less tangible qualities that parents and the public care greatly about school climate, morale, and commitment to educating every student. Based on a British model (which originated with Her Majesty's Inspectorate of Schools) these groups review each charter school on its own terms. Team members are carefully trained to avoid imposing their own personal tastes about the "best" methods of instruction.[7] Their job is to search for ways to help schools become as effective as possible given their goals and chosen methods.

The Massachusetts school inspection organization has a split mission, partly advisory and partly enforcement. On the advisory side, inspectors monitor individual schools closely to find out about problems early and provide feedback to focus self-improvement efforts. On the enforcement side, inspection reports can trigger actions by the charter-authorizing agency. A negative inspection report about a school's instructional program, staff unity, or efforts to help struggling students could lead to an ultimatum—improve this aspect of the school or we will cancel the charter.

School-Level Reactions to Achievement Testing

Some charter school leaders object to standard outcome measurement and comparison with other schools. Many insist that the school's charter should be the sole basis on which it is judged, and some argue that parent satisfaction, not test scores, is the best indicator of whether students are benefiting.

Even among charter school leaders who favor student achievement testing, there are those who object to state testing programs that assess students on a large number of different subjects. They object that state tests get into unnecessary topics and force schools to teach particular materials at times that they do not think students are most ready to learn.

According to the RPP national survey results, the vast majority of charter schools participate in district or state testing programs.[8] However, even those charter leaders who accept performance measurement in the abstract are unhappy to have their schools' performance measured by the same tests that local districts use. They know that school districts' average

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[7] As one-time member of Her Majesty's Inspectorate David Green reports, inspectors are taught "to be open to the success of 'the wrong methods.'"

[8] Berman et al, op. cit.

scores on such tests rise from year to year as teachers and principals learn what is in them and adjust instruction accordingly. They also know that district scores become inflated over time and that a district's average scores fall when it first adopts a new test.[9] Unless charter schools design their instruction around the particular test that the local district happens to be using (an action contrary to the basic purposes of charter schools) they are not likely to do as well on the district's test as on some other test designed to measure the same skills. State standards-based tests are probably a more appropriate instrument for measuring charter students' learning. Curriculum-independent, tamper-proof, Internet-based tests are another possibility.[10]

Authorizers Differ on Whether to Facilitate or Impede Charter Schools

As the foregoing sections demonstrate, an authorizer's formal legal status—whether it is a local school board, special state chartering agency, state department of education, a city, or a college or university, etc., predicts a great deal about how it will define its role *vis a vis* charter schools. However, legal status does not explain everything. For example, some school districts have promoted formation of new charter schools and worked hard to define their bases of accountabilities; some state colleges and universities have been hostile to the very idea of charter schools.

Institutional history and state- or locality-specific political factors can affect how particular authorizers define and play their roles. Attitudes, values, ideologies, and political loyalties matter. Authorizing agency approaches toward charter schools can be characterized in two ways: first, whether the authorizer is reluctant, ambivalent, or enthusiastic about authorizing charter schools in the first place; and second, whether an agency commits to cursory, compliance-oriented, or performance-oriented oversight of the charter schools it has authorized. Using this typology, the vast majority of authorizers fit into one of four categories:[11]

1. Ambivalent about approving charters, and conduct only minimal oversight;
2. Reluctant to approve charters, yet conduct aggressive compliance-based oversight;
3. Willing to approve charters, and conduct balanced performance and compliance oriented oversight; or
4. Enthusiastic about approving charters, yet conduct minimal oversight.

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[9] Koretz, Daniel M, . The Effects of High-Stakes Testing on Achievement: Preliminary Findings About Generalization Across Tests. Paper presented at the Annual Meetings of the American Educational Research Association (Chicago, IL, April 3–7, 1991).

[10] A promising new idea has been presented by Klein and Hamilton at Rand regarding large scale testing. See Klein, Stephen P. and Laura Hamilton, Large Scale Testing: Current Practices and New Directions, Santa Monica, CA, Rand, 1999.

[11] Though categories presented here could suggest the possibility of nine types of authorizers, we observed only the four types discussed in the following pages.

The following pages show how agencies come to take different orientations, how they operate, and what effects different kinds of agencies have on schools.

Ambivalent Approvers, Minimal Overseers

Most, but by all means not all, of the local school boards that authorize schools fit into this category, as do many state departments of education.

For local public school districts, chartering is a minor part of their mission. School districts run large numbers of schools directly, and charters are, with very few exceptions, a minor (and also new and unfamiliar) part of their portfolio. Similarly, a state department of education may or may not see chartering as a major part of its mission. If not, chartering can easily become an orphan, overshadowed by other and more familiar responsibilities and slighted by staffers who resent any challenge to conventional public education.

Few school districts have created the capability to judge individual schools primarily on the basis of performance, and few want it. A local board faced with unambiguous evidence of a school's failure might have to make extremely painful decisions about school closure, termination of staff, and creation of new options for students. These dynamics are especially evident in California, which has the greatest number of "conversion" schools (conventional public schools that have petitioned their local boards for charter status), and in Colorado, where many authorizers are local school districts. Local boards typically avoid close monitoring of student performance, preferring to rely on more familiar methods of financial and compliance oversight. Some school boards do not want to handle the pressures they would encounter if it were easy for people to judge the conventional public schools they have overseen for decades.

Few such agencies closely oversee the performance of charter schools. They assume that decisions on charter continuation will ultimately be political (depending on whether a school has maintained parent or foundation support or conversely, lost credibility due to a scandal), not based on performance. Thus the majority of local school boards have not rigorously overseen, guided, admonished, or closed charter schools.

Many local school boards view charter schools as an outlet for unhappy parents and activists who want to start their own schools. School districts that take these attitudes overlook the distinctive features of charter schools, for example, that they are supposed to have control of their own funds and staff and are supposed to be assessed in terms of performance, not compliance. They try to treat charter schools in familiar terms, regarding them as equivalents to magnet and special schools run by the district itself.

Some school districts have sponsored small numbers of charter schools to serve a unique purpose, such as appeasing a small group of unhappy parents. Fast-growing districts in some states have also chartered schools to shift the cost of providing new facilities to charter school

operators. Similarly, some state departments of education have sponsored a few schools to avoid criticism from procharter legislators. Agencies that charter schools for these reasons are likely to consider their jobs done once the schools are established and will generally leave those schools alone unless they run into financial trouble or become controversial.

Some agencies other than local school boards also have taken this approach to chartering. State-sponsored regional service districts, for instance, might charter a few schools as workforce training centers to support special industries in a region.

In charter schools' relationships with authorizers of this type, student learning is rarely a live-or-die proposition. Few authorizers are willing to bother to revoke a charter or fail to renew one, whether or not a school is performing well. Most assume that charter schools, like conventional public schools, will continue indefinitely.

Reluctant Approvers, Rigorous, Compliance-Oriented Overseers

Authorizers of this type are normally local school districts that feel forced to sponsor charter schools, either by local political pressures or the fear that the state might overturn an arbitrary denial of a charter. These boards often see new charters as someone else's schools that draw funds, students, and teachers away from "their" schools. This can lead to reluctance to transfer funds and a refusal to give new schools access to school district facilities.

The scale and type of charter schools authorized are important factors in sponsor-charter relations. Districts may ignore (or even champion) a few small charter schools that do not make a big dent in their budget or that educate difficult to serve students. But authorizer attitudes can change when the funds transferred to charter schools force cuts in district staffing or programs. In all but the "giant" districts (e.g., Los Angeles and Chicago), 10 or more charter schools create critical mass, threaten to develop a strong new political constituency and force painful changes in district budgets.

Local boards often see charter schools as threatening to their own powers, because charters are not always subject to day-to-day changes in school board policies. Many also resent the fact that school boards retain some legal responsibility for charters, but do not control them. Local district officials we interviewed throughout the country made statements of the form, "It is unfair that we are ultimately liable for the actions of charter schools, though we do not control what they do."

Authorizers normally feel differently about conversion schools, most of which remain closely tied to the district. However, conversion schools maintain smooth relations with their authorizers at some cost: they seldom get the control of staffing, programs, or student recruitment that other charter schools have.

Compliance-oriented authorizers deal with charter schools, as they do conventional public schools, via routine paperwork, requests for letters explaining unusual expenditures, and requirements for administrators' presence at district meetings. These demands are seldom heavy, though they can take up time that school leaders think could be spent more productively in other ways.

An authorizer's compliance orientation sends a specific message; there is nothing special about a charter school. A school's long-term relationship with its authorizer is unlikely to be determined by levels of student performance achieved. What will matter most is whether the school leadership pays attention to central office demands and avoids crises or controversies that might force district leaders to intervene.

Willing Approvers, Overseers that Balance Performance and Compliance

Most agencies that fit into this category were created specifically for the purpose of chartering schools. The Massachusetts State Board of Education is a good example of this type of authorizer, with its thorough approval process, site visits, and renewal inspections. Authorizers whose only way to provide schools is through chartering are more likely to think hard about approval and monitoring—how to distinguish proposals from groups likely to be able to open and run schools from those likely to fail, how to help schools get started, and how to oversee school performance—than authorizers for whom chartering is an exception to the normal way they provide schools.

However, local political forces and individual views can be as important as legal status in causing agencies to take this approach. Massachusetts' law, for instance, says very little about how the state should hold individual charter schools accountable, yet Massachusetts has developed what many consider to be a model accountability system. The state board of education has taken a very slow, controlled approach to authorizing charter schools. As it learned what capacities groups must have in order to start well-organized schools, the state board imposed increasingly high standards for applicants. It has also visited schools often and created an inspectorate to assess charter school programs in advance of the need to decide on renewal applications.

Massachusetts law enabled the implementers to focus on school quality by imposing strict limits on the numbers of schools that could be authorized at any one time, and centralizing all authority into one agency that had no other duties. However, the law could not guarantee that high-level administrators would see that charter schools could be a mechanism for improving the overall supply of schools, or that officials would stake their own reputations on charters' ability to function as models for other schools.

Chicago School District has taken a similarly intense oversight approach to charter school accountability. While the Illinois law does require charter schools to take the state tests, the law did not anticipate the fact that the mayor, school officials, and business leaders would be intensely concerned about charter school quality. A few other local school district boards also fit this category. They view charters in a positive light, usually as part of a strategy for introducing

high standards and greater performance accountability to the district as a whole or as a way to replace low-performing schools that have resisted efforts to improve them. A small number of districts have come to consider chartering as a promising way to provide schools. Chicago, Illinois; San Carlos, California; Cobb County, Georgia; and Jefferson County, Colorado; all consider charter schools to be one among several ways they can provide schooling options for families. There is potential for many more local school districts to operate this way.

Agencies that are committed to charter schools, but determined to promote quality try to minimize school problems and failures. They screen applicants well, make sure the schools prepare good instructional plans, and know how to get financial and management help. They set priorities so that chartering is used to provide new options for the neighborhoods or age groups with the weakest public schools. They discover quickly that new schools need help and either find it or create it. These agencies either create significant in-house capabilities or partner with other organizations. In the case of a school district authorizer, this is not just an extension of the district's normal ways of doing business. Chicago quickly realized this, and now relies on private actors for financial and governance assessment.

Recent charter approval decisions by these agencies appear to favor large for-profit or nonprofit school management organizations. This trend suggests that they prefer established school providers rather than taking risks on new, unknown though possibly more innovative organizations.

Another authorizer, Central Michigan University (CMU), increased the rigor of its approval and monitoring responsibilities only after coming under fire for lax practices.[12] In 1998, a new charter schools' office director started creating a "little state department," that would make sure all schools chartered by CMU would comply with all state requirements. The director is currently building a large staff (16 people), which will specialize in four functions:

- Governance (helping schools create clear and workable relations with their governing boards);
- Finance (addressing fiscal and business issues);
- Education (ensuring that schools have coherent instructional programs); and
- A yet-to-be defined technical assistance and research capacity.

Anticipating a greater volume of work in the future, CMU is thinking about creating a regional structure, with governance, finance, and education staffs in several locations. Because it gains fees from all the schools it charters, CMU can afford to expand its charter schools office as the numbers of schools increase. The move toward regional offices and attempts to streamline the reporting processes for the schools reflect a concerted attempt by CMU to provide schools with a supportive operating environment.

[12] A reviewer of this report has commended the oversight processes in two other Michigan universities that started authorizing schools after our research was finished.

At this stage of the charter school movement, only a small proportion of authorizers is committed to sponsoring charter schools as a way to provide public education. However, some authorizers are moving toward a more positive view of charters and accepting greater oversight responsibilities. One urban California school district, for example, had no charter school approval policy or monitoring criteria before June 1999, but is now formalizing processes as many more charter school applications are coming in. A small but growing number of local school districts are becoming more like members of this category as boards and superintendents realize that families want options and chartering is not going away.

In Washington, DC, two groups are authorized to sponsor charter schools and their contrasting approaches show what a difference an authorizer can make. The DC School Board has been reluctant to authorize schools, and has done so only when faced with overwhelming pressure from powerful individuals and activists in the DC community. They have not overseen schools closely, and their schools have generated great controversy, including a crisis at a DC charter school that led to a widely publicized assault on a reporter. In contrast to the school board, the DC Public Charter School Board has promoted applications, reviewed them carefully, matched school operators with sources of financial, managerial, and educational advice, and carefully overseen the schools once they were in operation.

Eager Approvers, Inattentive Overseers

A few agencies have approved large numbers of charter schools without making a strong commitment either to assist or oversee schools. They believe that by lowering barriers to entry for new schools, they will authorize a large number of schools with very diverse missions and pedagogy, and let competition and parent choice drive quality.

Arizona's primary authorizers are probably the best example of this supply-stimulating approach. The legislation created multiple sources for approval so schools could proliferate, provide options for parents, and put pressure on other schools to adapt. To ensure that charter schools would not run into political barriers to approval, Arizona's charter law created a new state entity, the State Board for Charter Schools, whose only mission is to charter schools. The law also gave authority to the state board of education and local school districts, which may sponsor schools located outside their district.

The initial impetus was to get as many independent schools operating as possible. Much less attention was given to how the schools would be held accountable by their authorizers. The dominant political figures behind the charter school movement in Arizona believed strongly that parent choice and vigilance would be the most effective accountability measures. Of lesser importance were the application process, startup and technical assistance, agency oversight, and the charter renewal process. In practice, parent choice has been the major performance accountability mechanism for Arizona's charter schools.

After acting as a primary sponsor of the bill, Lisa Graham-Keegan was elected State Superintendent of Public Instruction and remained a vocal proponent of charter schools. She and the Governor tried to resist onerous new bureaucratic requirements proposed by the Department of Education. Staffing for the two state boards was kept small. The original application process

was minimal, requiring little in the way of education or business plans. A combination of a "hands off" philosophy toward charter schools and sheer lack of people-power has resulted in Arizona authorizers taking a minimalist approach to monitoring or assisting the schools. They generally leave school survival to depend on two things: the ability of schools to sustain themselves as organizations and parents' willingness to send their children to the school. Most authorizing agencies in Arizona have so far conducted their oversight by responding to parent complaints, especially those related to legality of charter school practices.

Arizona leads the country in number of charter schools with 348 operating schools in September 1999. Charter schools now account for approximately 20 percent of Arizona schools, nearly all of which were sponsored through the two state boards. As the number of schools has grown, both state boards have created increasingly stringent application requirements in an effort to screen out clearly unqualified applicants and have begun to increase their attention to school performance. In the past year, outside organizations such as The Goldwater Institute (a conservative Arizona think tank) and the Arizona Charter Schools Association have increasingly provided technical assistance to charter schools and are developing a voluntary peer review evaluation processes.

Conclusion

Government agencies are lagging behind schools in understanding what must be done if charter schools are to contribute to public education. Many authorizers are, however, learning about what it takes for a school to succeed and they are increasingly raising the bar for school applicants.

In general, authorizers whose only way to provide schools is through chartering make that their mission. Compared to authorizers for whom chartering is an exception to the normal way they provide schools, these new authorizers are highly concerned about learning to oversee schools—how to distinguish proposals from groups likely to be able to open and run schools from those likely to fail; how to help schools get started; and how to oversee school performance. Many of these agency heads are people with political as well as managerial credibility. They act to build a new agency's track record and preserve their own personal reputations. Authorizers committed to chartering think of an unfilled slot for a charter school as a scarce resource and they are unwilling to risk it on a school that looks like a long shot.

The authorizers we studied have accumulated only 5 years' experience with charter schools. Most authorizers have sponsored fewer than five charter schools and have closed none. When asked what changes they would make given their experience, most authorizers emphasized clarifying expectations and increasing monitoring of charter school operations and outcomes. In one way or another, most agency heads echoed one who wrote in our survey that the agency would give "stronger emphasis on performance objectives, performance criteria, benchmarks, and measurement." Such desire for better-structured measurement and oversight is surely evidence that authorizers are coming, however slowly, to understand their responsibilities for charter schools.

Does it matter whether school boards and other public agencies learn to hold charter schools accountable for performance? Some would say no, that accountability to families and teachers is enough, and that government need not oversee charter schools at all. Others from the opposite end of the ideological spectrum would agree, but for a different reason: they think that compliance-based accountability is the only way for government to ensure equitable treatment of students and proper use of public funds.

Our data do not support a definitive conclusion about what methods of government oversight are best for all purposes. But we can say that no state charter law exempts government from responsibility. All states retain some level of responsibility to assure at least a minimal level of educational quality in publicly funded charter schools; government oversight is what distinguishes charter schools from vouchers.

Our research does suggest that performance-based oversight by authorizers promotes an internal focus on effective instruction, and that compliance-based oversight weakens that focus. It also suggests that inattentive authorizers are prone to spasms of compliance activity when problems become public. Charter schools thus benefit from some performance oversight and are in danger when there is none.

Section 5 will suggest ways that government can catch up with families and school providers and play a responsible role in charter school accountability.

SECTION 5

Accountability to Others

Because of their unique level of freedom to partner with nonprofit organizations and to hire outside vendors, and because they are generally left to their own devices to find and finance their own buildings and administer their own funds, charter schools establish voluntary relationships with a set of actors not normally a part of the public school accountability equation. Charter schools depend on these new actors to varying degrees. Charter schools that have close ties to a sponsoring school district, for instance, tend to rely less on independent actors, as the district provides the majority of their services.

And due to their unique level of autonomy and their controversial political status, charter schools also often have many involuntary, or (to return to our terminology from section 1 of this report) one-way, accountability relationships with political interest groups and with government agencies other than their authorizers. These relationships can impose burdens not anticipated either by the legislators who sponsored state charter laws or by groups that now operate charter schools.

In our case studies of charter schools, we approached the question of accountability to these independent actors hoping to learn about how these new relationships have affected the school's priorities and performance, and in particular whether they distracted from, or reinforced the school's focus on instructional quality and student performance.

We have found that:

- Charter schools are more dependent on outside entities than are traditional schools. While traditional schools are increasingly building relationships with outside organizations, charter schools generally have no option but to build new relationships outside a district or state central office.

- While there are clearly both advantages and risks to this reliance on outside entities, such voluntary and reciprocal relationships can strengthen the school's academic performance and its internal accountability if the school has strong leadership. Involuntary and one-way relationships with outside entities, however, can seriously threaten a school's ability to develop internal accountability.

- Involuntary and one-way relationships with outside entities, especially government enforcement agencies whose role vis a vis charter schools has never been clearly defined, can seriously threaten a school's ability to focus on teaching and learning. Pressures from regulatory agencies can eclipse a charter school's relationships with parents, teachers, and even its authorizing agency.

We will discuss in more detail each type of association and its implications for charter school accountability.

Voluntary Associations: Accountability to Funders, Service Providers, and Evaluators

Unlike traditional public schools, which depend on their local school district central offices for virtually everything—funding, staff, facilities, teacher training, equipment, supplies, building repairs, janitorial service—charter schools must obtain many essential goods and services for themselves. Education management companies (such as the Edison Schools) and outside funders normally work directly with school districts, thus buffering individual schools from direct accountability. Such external funders and providers, however, contract directly with charter schools. These voluntary relationships create mutual benefit and dependency between charter schools and many other entities that heretofore played little or no role in public education.[1] These relationships vary in their intensity and in their impact on the school's financial or academic operations. But in their strongest forms, they can have a powerful effect on a school's priorities and actions.

Many such providers have real influence on charter schools. They include donors, lenders, contractors, charter school associations, and evaluators. Many of them can play positive roles in promoting schools' internal accountability. For example, lenders, including groups set up to advance money to charter schools and other social service organizations, often demand clarification of charter schools' governance structures and require higher accounting standards than charter schools might otherwise follow. Other providers may have philanthropic motives and care less about administrative standards than about good educational performance. However, such providers, including private individuals who may donate legal or management services, can become discouraged if a charter school appears conflict-ridden, chaotic, or ineffective.

Some of these relationships can influence the school's internal operations and therefore indirectly promote strong internal accountability as discussed in section 2 of this report. Others

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[1] Traditional public schools receive donations and grants, and some develop long-term relationships with outside organizations (e.g., schools that partner with industries that might then hire some of their graduates such as schools affiliated with the Coalition for Essential Schools). These schools often take on many of the characteristics of charter schools: they are not solely accountable to their local school board, and they often find ways around constraints that apply to other schools (e.g., many find ways to hire teachers that fit their programs, rather than accepting whatever the local civil service system gives them; some use the influence of their outside partners to resist the district's efforts to transfer their principals to other schools).

For the most part, however, traditional public schools enter temporary grantee and vendor arrangements that do not create long-term relationships of mutual dependency. They get a one-time grant from one business or foundation and expect to find another donor when the grant expires; they hire a consultant for a particular professional development session but do not expect a continuing relationship. Some traditional public schools are increasing their ties to these outside entities as their districts allow them more control over their budgets and encourage them to be more entrepreneurial (i.e., in the Seattle School District). But these organizations normally have little or no stake in the success or failure of the school's overall academic program.

can more directly offer stronger checks and balances to assure that the school is financially, organizationally, and educationally viable.

Charter Schools' Key Voluntary Relationships

Charter schools' key internal and external voluntary relationships include donors, lenders, contractors, associations, and evaluators.

Donors

Partner organizations: Community nonprofit organizations such as youth centers, YMCAs, and museums can establish or help charter schools as one of their programs. Many of these organizations are nonprofit human service providers that have been around for a while, have a good reputation for their social service work, and see a connection between running a school and providing some kind of social service. Indeed, their reputations make them attractive candidates for running charter schools.

Some such organizations may assist the school rather than taking legal responsibility for it. But their association with the charter proposal is often a selling point for the authorizer, as well as for parents. The agendas of these organizations certainly influence what schools become. Their organizations' administrative and financial strengths also help schools do things that freestanding new charters have a hard time doing, such as obtaining grants and bank loans.

Organizations that provide space and facilities: Organizations can provide space and facilities for charter schools. These can be simple landlord-tenant relationships or sometimes the landlord can be a *de facto* sponsor, providing space at reduced cost or free. One school we visited is developing a facilities partnership with a state university. The university will provide land to the school and the school will build and own its own building. The university now has a stake in the school's reputation and its financial viability.

Groups that donate goods and services: Local businesses and church groups are among those that often donate supplies and services to charter schools. These may be temporary relationships, and the total resources donated may not be large, but the sense of obligation may be significant. Charter schools tend to rely more on volunteer goods and services than traditional public schools. These relationships could be very important if the donations are continuing or are subject to termination (i.e., if the school is in donated space and might be kicked out, or if a clinic provides a nurse but might withdraw her).

Sources of private or government grants: Grant funding is a significant source of income for many charter schools. In Massachusetts, for instance, charter schools depend on private grants or donations for as much as 37 percent of their operating budgets,[2] whereas public

[2] Herdman, Paul and Marc Dean Millot, *Charter Schools as a Decentralization Model: A Budget Analysis of First Year Charter Schools in Massachusetts*. Center on Reinventing Public Education, forthcoming.

schools often receive no grant funds. These private sources use some judgment in deciding whether to fund a school initially and whether to continue that funding. Charter schools we interviewed viewed private funding sources as involving less paperwork but just as much, if not more, accountability for promised results.

Grants, especially from government agencies, also sometimes impose judgment on schools and are competitive. However, some schools, charter or others, purposefully stay away from government grants (such as Title I) for which they would be entitled, because they eschew more government involvement than they already have and want to avoid any more hassles with paperwork. Their goal is to stay as autonomous as possible.

Lenders

Sources of long-term financing (i.e., banks, bonding authorities): More and more charter schools are borrowing funds for capital expenses and other high costs. Banks and other sources of such funding are becoming increasingly open to the idea of lending to charter schools. While these organizations are not primarily concerned with the school's academic progress, those who lend money to a school want to see evidence that the school's leadership, governance structures, and relations with its sponsor are stable. A charter school in Colorado, for example, recently received a BBB rating for bonding due to its stability.[3]

Contractors

School design organizations that manage the instructional program: A growing number of charter schools contract with vendors (e.g., SABIS International; the Edison Schools, Inc.; Beacon Education Management, Inc.; National Heritage Academies).[4] As managers of the school's instructional program, they influence or directly control hiring, instructional plans, budgets, self-assessment, and relationships with parents. Because some charters specify a relationship with a particular contractor, the school's board can find it difficult (though obviously not impossible) to abandon such an arrangement. In turn, these companies have obligations to their administration and investors, creating several levels of interdependency that may or may not conflict.

Providers of legal advice and insurance: Providers of legal advice and assistance influence what schools can do and what risks they must eliminate. These actors do not hold any direct power over the school, but they are important in that they can help the school understand and comply with its legal duties. Traditional public schools are not typically distinct legal entities, thus legal and insurance issues are normally managed at the district level.

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[3] An Apparent First: Colorado Charter School Gets S&P Rating. *Education Week*. July 14, 1999.

[4] A reviewer of this report noted that a number of the authorizers in Michigan expect or require charter schools to contract with an EMO.

Service providers: Schools and their sponsors are increasingly hiring outside contractors to provide services that districts typically provide. These services range from accounting services to inspectors who assess the school's educational progress. These third party arrangements can introduce a new level of objectivity into the typical school-district relationship and therefore changes the nature of how school accountability functions. Some schools use private organizations for financial management, but since they focus strictly on accounting, few have tried to influence the instructional practices of their client schools.

Associations

Charter school associations and technical assistance organizations: In most states, charter schools can turn to charter school associations or technical assistance organizations for advice and support. These are voluntary associations, but since they help schools learn from one another's experiences with authorizers and unions they create mutual dependencies. Often, charter schools see their reputations bound to other charter schools in the state or community, leading to a desire to help other schools succeed.[5] As a result, some associations are creating self-assessment and accountability models that will influence schools' relationships with their authorizers. These organizations also frequently influence state laws and rule making, so schools both depend on them and need to influence them.

Evaluators

Accreditation agencies: Many states require or encourage schools to receive accreditation from an established group such as the North Central Association of Colleges and Schools. Schools often seek accreditation on their own because it allows their students to transfer credit more easily between schools and is more easily understood by colleges and universities. These accreditation bodies vary in the ways they judge schools. Some are much more "input" oriented than others, in that they look to see whether schools are offering required courses rather than trying to assess how well a school is teaching its courses. These agencies or the individuals who visit the schools, often have particular ideas about "good" instruction, which may not mesh with the school's philosophy. In some cases, these organizations provide a valued outside perspective on the school's educational program. Thus, accreditation agencies can play an important role in helping or hindering schools' internal accountability as well as serve as an intermediary source of judgment for authorizing agencies.

Researchers: Most charter schools host researchers on a regular basis. The principals, teachers, students, parents, governing board members, and others at these schools are interviewed by analysts working on state, federal, and independent projects; graduate and even high school students; and researchers from other countries. One school we visited hosted more

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[5] Some schools with close ties to an authorizing or nearby district purposefully stay away from charter school associations or networks in order to ensure a good relationship with the district. Two schools we studied complement their districts by serving students that the district traditionally struggled to educate. For this reason, they have fairly friendly relationships with their nearby districts and do not want to jeopardize them by joining activist associations.

than 100 visitors in 1999 alone. Not all of these researchers intend to pass any judgment on the school. Many are simply there to get ideas or amass information. But some visits are very high stakes evaluations. A negative portrayal in a public report threatens a school's future enrollment and may affect a school's relationship with its sponsor. Some schools use researchers to validate their efforts, build support elsewhere, countervail critics, and buttress themselves against members of the authorization agency who do not like them.

School design networks: When a school management organization runs several schools in an area, there is the possibility of close ties between school directors, who can provide each other with resources and ideas. More informal networks are made up of voluntary school designs, such as New American Schools designs or the Coalition of Essential Schools. These networks can have a positive effect on accountability when the network of peers sets expectations for a school to go beyond the requirements of its sponsor in developing and using good indicators of success. With increasing pressure for school design networks to prove their success, this trend should be a positive force for encouraging schools' internal accountability. These networks can be a more subtle force for performance accountability than can authorizers. They can offer assistance and encouragement for self-assessment and school improvement without making the threat of charter cancellation that is always implicit in a school's relationship with its authorizer.

How Do These Accountability Relationships Affect Schools?

Such outside organizations can play a significant role in the lives of charter schools, particularly in new schools and schools authorized by entities other than local school boards. (Conversion schools and schools authorized by school boards usually have close legal ties to districts and are not discreet legal entities.) We tried to assess the effects of these relationships: How have they influenced instruction, resource allocation, or student selection in ways that might have a positive or negative effect on school quality or equity?

Accountability to outside organizations is one of the more controversial elements of the new accountability arrangements under which charter schools operate. The public and politicians often fear that by opening schools up to diverse interests, especially those with profit motives, schools will be less focused on the public interest of improved student learning and high quality instruction. Wells and Scott[6] (1999) argue that there is inherent inequity built into charter schooling because governing bodies vary in their ability to monitor the performance of contractors. They argue that this puts under resourced schools at a disadvantage because they are the schools least likely to have the time and resources needed to oversee such contractors. The executive vice president of the American Federation of Teachers has raised concerns about school choice models that transfer authority away from the government and locally elected school boards and give that authority to groups that are not accountable to the people.[7]

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[6] Wells, Amy Stuart, *Beyond the Rhetoric of Charter School Reform: A Study of Ten California School Districts*. Los Angeles, UCLA School of Education, 1999.

[7] *Education Week*. August 4, 1999.

As we learned from our case studies there are both positive and negative sides to charter schools' dependency on outside organizations. Whether the effect is primarily positive or negative is largely determined by the strength of the school's governing board—how seriously it takes its role, how sophisticated its members are, how the management company's contract is structured, and so on.

We saw no evidence to suggest that on the whole, encouraging schools to form outside relationships necessarily detracts from the quality of instruction provided or the ability of faculty and staff to concentrate their attention on teaching and learning. In fact, we saw several instances of outside organizations having a beneficial effect on school's performance and internal accountability.

While we have seen variation in schools' capacity to manage contractors, we did not see that the ability to manage contracts had any relationship to the types of population served by the school or the school's per pupil operating revenues. Variation in capacity is a real issue, but as other studies have found, we have seen that capacity of the school leadership and governing board are closely related to prior experience running schools and having access to community resources.[8] Approving agencies can lessen the likelihood of this being a problem by creating rigorous approval processes and intervening in schools that are failing as a result of poor management. Technical assistance organizations and charter school associations can also play critical roles here by helping schools understand the tradeoffs involved in contracting for services and by providing training and guidebooks on this topic for new schools.

Potential positive effects of voluntary associations. This unprecedented level of dependency on outside actors can have a beneficial effect on schools' efforts to develop strong internal accountability. Donors and sources of assistance can help a school increase its capacity to provide good instruction; they can also become sources of constructive pressure for continuous improvement. Depending on the circumstances of an individual school, schools' accountability to donors and sources of assistance can:

- Strengthen forces for performance and organizational viability more than a school's relationships with its authorizer.
- Provide critical expertise and access to resources.
- Provide political connections that buffer the school from attacks that would otherwise dominate staff time and attention and weaken their focus on instruction.
- Increase schools' access to facilities, and develop innovative ways of housing charter schools.

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[8] See, for example, Millot, M.D. and R. Lake: *Supplying a System of Charter Schools: Observations on Early Implementation of the Massachusetts Statute.* UW/RAND Program on Reinventing Public Education. June, 1997.

Strengthening forces for performance and organizational viability. As we discussed in previous sections, authorizing agencies often play an insignificant role in prodding schools to work toward academic improvement. Much more powerful influences are those closest to the school's governing board.

One school we visited is funded in part by two well-known organizations (one for-profit, one nonprofit) and the representatives of those organizations sit on the school's governing board. Because these organizations' reputations are intimately tied to the school, school leaders feel constant, strong pressure to maintain the school's image as an excellent place for children to learn. Partners care about their own reputations and feel the school's performance reflects on them. In contrast, the school's authorizing agency seems much less concerned with the school's performance, and parents at the school are interested mainly in their own child's performance, not that of the school as a whole.

For-profit management companies are especially scrutinized by researchers and have an extra incentive to demonstrate their success and remain marketable. It was beyond the scope of our study to assess the effectiveness of education management companies (EMOs), but in our sample, the schools we visited that were managed by EMOs had some of the clearer accountability agreements and tended to be more willing than most charter schools to be judged on standardized test scores. In the box below, we explore some of the accountability issues related to for-profit management of charter schools.

One Arizona charter school's leader explained that the school's accountability is validated via a regional certification group. Their charter authorizer is little more than an annoyance and certainly does not appear to be adequately monitoring the school's progress, or prodding the faculty to improve their practice. When asked if he could do as good a job, or better, if you were left alone, the director responded, "I believe so, we have an internal motivation to validate what we do against external standards."

A Closer Look at Education Management Organizations

Educational management organizations (EMOs), sometimes called management companies or service providers, are becoming increasingly common. EMOs range from those that provide specific, prescribed services such as payroll and financing (*narrow* providers) to those that are responsible for virtually every aspect of a charter school's operations (*broad* providers). Depending on the depth of their involvement, EMOs charge fees as small as a few percent of a school's operating budget to fees that encompass the school's entire budget. For the most part, *narrow* providers seem likely to increase a school's capacity to manage and account for funds, but do not usually affect the school's organizational viability or educational effectiveness outside of their narrow domain.

Broad EMOs, on the other hand, can have a more significant impact on a school's overall operations and academic responsibilities. Two examples illustrate the benefits, and potential risks, of broad EMOs. We visited an Arizona school that is one of several schools operated by the Leona Group, a large EMO operating primarily in Michigan and Arizona. The network of

schools created by this EMO offers a unique benefit for information sharing and support. School leaders of all the Leona schools meet regularly, and are able to gain assistance in their work from one another as well as Leona staff. Leona staff and school leaders also visit each school from time to time to offer feedback and evaluation.

Some decisions regarding the school are made within the school itself (e.g., hiring and some curriculum decisions), while others are made at the Leona corporate office (including budgeting, hiring of the school leader, and some curriculum decisions). All the Leona schools are based on a single charter, with one governing board. From the perspective of Leona's authorizer, Leona is a well-respected organization seen as running solid schools. The school we visited had significant problems during its first year. By all accounts, the school was in complete disarray academically and organizationally. Leona staff replaced the principal when the school moved to a new location and began to expand. Since this change, the school has essentially been reinvented and has gone through some of the same struggles as other new charter schools, including last minute hiring. Throughout these struggles, the Arizona Charter School Board has left it to Leona to intervene. Although the school files compliance and academic reports directly to the state, the school's authorizer monitors the school less closely than others due to the staff's trust in Leona.

In Michigan, we visited a school that is operated by the National Heritage Academies (NHA), an EMO with a back-to-basics and moral education focus. In the 1998–99 school year, NHA operated 13 charter schools in Michigan. As with Leona, NHA school leaders meet regularly and discuss problems and policy issues facing their schools. Each NHA school has its own charter contract, its own governing board, and controls many of the day-to-day decisions, including hiring. NHA owns each school's building and materials, and all staff members are employees of NHA rather than of the governing board. Broader issues such as the general curricular tools and the budget are made by NHA, which also sets policy for all its schools in a variety of areas. In this situation, it is not surprising that there has been some tension between the school's governing board and NHA over who makes what decisions.

These two examples illustrate several issues surrounding broad EMOs. The close connection between these two schools and their management organizations means that there is a strong sense of accountability by the school personnel especially the school leaders to the larger organization. Both Leona and NHA have a much richer understanding of what is happening in a school than does the school's authorizing agency. The sense of accountability among the school leaders is particularly strong. They meet regularly, jointly work out issues regarding policies, and generally see their schools as part of a larger whole. Individual schools feel that their successes or failures will reflect back on the other schools and the EMO headquarters.

However, there are some potential tradeoffs to these relationships. First, schools may be less likely to develop a strong sense of internal accountability when they do not control their own budget and curriculum. Second, authorizers who have a positive opinion of an EMO may be less likely to look critically at each school affiliated with that EMO during both the application and oversight processes. We have little evidence to prove or disprove either possibility, however they are worth mentioning as areas for future study and caution.

Providing critical expertise and access to resources. At least two independent organizations are playing prominent roles in assessing the quality of charter schools. The Colorado League of Charter Schools, the Colorado state charter school association, is currently piloting a new self-assessment and accreditation tool for Colorado charter schools. For participating schools, the League will send out a peer review team to develop "unique measures" of a school's success and create a 3–5 year review process. The intent is to serve a "critical friends" role for schools and also to provide good information to boards of education. The League's effort is in part to protect against perceived laxity on the part of local school boards to require high standards, especially for the renewal of school charters.

The Illinois Facilities Fund (IFF), a nonprofit loan funded by the Chicago Public School District, provides long-term loans to Chicago charter schools. In partnership with the Chicago School District's charter schools office, the IFF assesses governance viability of charter school applicants and then provides assistance and continuing counseling to the schools.

Organizations that publicly support a charter school by lending money or partnering in other ways described above care a lot about how the school is perceived by the community, whether that perception is shaped through newspaper articles or simply via word-of-mouth. These organizations have an interest, then, in at least appearing to give back to the community. They are often on the watch for cries of elitism, for instance, and so tend to go out of their way to serve diverse populations and to keep the funding level of the school to a level that could be matched by other public schools. High profile or controversial schools are more likely to be subjects of studies and visits by people who are looking for models for new schools or parents who are shopping for schools. These visitors add an extra element to accountability. Despite this constant stream of visitors, our researchers' requests for interviews were never turned down at schools with links to for-profit or nonprofit organizations.

Charter schools are often started by groups of parents who have little background in education or by teachers who have little in the way of business expertise. Unless these schools partner with nonprofit community groups or hire outside expertise, they often face difficult barriers to success in creating effective schools. Schools we visited benefit greatly from expertise provided by their partner organizations. These organizations provide help by sending staff members to the school as guest lecturers, lending the school a business advisor, and providing space for the school. Older nonprofit organizations often have experience building effective boards and creating lines of accountability within an organization. That experience, partnered with a promising educational approach can create a very effective school.

Moreover, a for-profit management company's substantial financial backing may offer schools access to loans for school startup and the ability to offer new or substantially renovated schools to students and parents, luxuries not available to most new groups. Though it is no guarantee of success, having access to these resources means a new school is more likely—and better able—to quickly focus on student learning.

Using political connections to buffer the school. As earlier sections have suggested, the local and state politics associated with being a charter school can be intense. Local and state agency personnel may try to require compliance with laws from which the school should be exempt, and an angry sponsoring school district may encourage fire marshals or building inspectors to give a new charter school a particularly difficult time with approval of its facility.

Outside organizations often have strong community ties that help a school stay focused on teaching and learning rather than spending time on appeasing a variety of external relations. A charter school with political connections through outside organizations is much better positioned to fight off spurious, politically motivated demands. In the traditional public school system, such political connections would likely be limited to schools in advantaged neighborhoods with high-powered parents. Charter schools' ability to work with outside organizations can lend that advantage to schools with less access to such power sources.

Increasing access to facilities. Charter schools most often must pay for their facilities costs out of the operating budgets. Facilities-related costs are often cited as the primary barrier to charter school startup. The negative consequence is somewhat obvious: rent costs money that schools then cannot spend on instruction. Rental costs keep some schools with promising educational ideas, but no access to appropriate facilities, from opening.

Partnerships with existing organizations often allow new schools with no ability to float long-term bonds or to pay for up-front renovations access to partner-owned facilities and capital for renovations. These partnerships also help educators to use imagination about what facilities can be used as schools. The few states that are now providing charter schools with capital moneys are seeing similarly positive results. In Arizona, the Goldwater Institute hosted a conference to bring together land developers and architects with charter school founders. Several innovative new partnerships have since developed.

Potential downsides of voluntary associations. Despite the very real advantage that chartering opens up to public school children by allowing and encouraging new schools to link with actors that operate outside the traditional public school establishment, this experiment—like any—comes with risks. In some circumstances, a heavy dependence on outside actors can:

- confuse lines of accountability and decisionmaking,
- detract from the school's core mission, and
- attract unwanted attention.

Confusing lines of accountability and decisionmaking. School governance is fragile. Its strength depends on the cohesiveness and focus of school leadership. When a school contracts with a management company, partners with a university, or takes a loan, each of these actions increases the sheer number of people who are providing input as to how the school ought to function.

More people involved in a school's operations also increases the potential for obscured responsibility and for disagreement. A school's approving agency, for instance, may be unclear whom to call if there is a problem. Parents may be unsure whom to contact if they have a complaint. A governing board may have trouble giving up control and may begin to interfere with a contractor's responsibilities or—equally problematic—may put too much trust in a contractor and not hold the organization responsible for its promises. The more complex the governance, the more difficult it becomes to establish clear lines of authority and accountability.

Contractors do not always use the same measures to judge school success as the governing board, teachers, parents, or the authorizing agency. Accreditation agents may or may not judge the school in ways that are consistent with the performance goals outlined in the school's charter. Financial lenders may be more concerned with financial stability than school improvement. Media attention as a result of a high-profile partner relationship may highlight controversy rather than communicate the strong points of a school.

Alliances with outside organizations can also complicate accountability. Some school governing boards hire professional management companies, including for-profit organizations like the Edison Schools and SABIS, to run the school on a day-to-day basis. Such contracts are often necessary, particularly for governing boards that want to sponsor a school but do not think they have the expertise to create a good one on their own. Management companies also create clarity about school goals and methods, short-circuiting potentially long and laborious processes of school self-definition. But they add a powerful new player that affects all the internal relationships—among the governing board, school administrators, teachers, and parents—and often between the governing board and the government agency that issued the charter.

Management companies have their own interests—reputations to preserve, capacities to build, financial goals to meet—and ideas about what constitutes good teaching. Teachers hired by management companies often must meet well-established criteria and work on schedules dictated by the management company's philosophy, not determined within the school.

One education management company we interviewed appears to have struggled with how to define its relationship with its charter school boards. After several disputes over personnel matters and other issues the company saw as micromanagement from the board, the company is seeking what it terms "partnership" relationships rather than being seen as a contractor. To this end, the company recently purchased land for one of its schools as an indication of its investment. This "partnership" relationship, however, does not change the fact that the school's non-profit governing board is legally responsible for the performance of the school.

In addition, some school governing boards and management companies have engaged in conflicts over who was in charge, especially when governing boards demanded to be able to pick and choose among instructional practices that management companies considered interdependent parts of broader strategies. These conflicts, which in a small number of cases have led to firing of the management company, inevitably trickle down to the teaching staff and students. However, charter schools' need to maintain parent confidence and forces the warring parties to reach some sort of resolution within a few months.

When a school subcontracts for services, especially for management of the educational program, it is critical that the contract itself be crystal clear about who is responsible for what. Charter schools around the country are learning that lesson.

A guide published by the Charter Friends National Network is designed to help charter school governing boards avoid these difficulties by developing clear contracts.[9] As they suggest, governing boards must not enter into relationships with outside organizations lightly. Charter school boards must understand their fiduciary duties and take them seriously.

Detracting from the school's core mission. If a charter school is overseen by a nonprofit board but has contracted with for-profit organizations, there is always potential for conflict of the non-profit's "mission" drive and the for-profit's "profit" drive. Even two nonprofit organization might experience mission conflict. A small, parent-led school may partner, for instance, with an environmental community organization that can lend expertise and resources, but then may feel pressure to spend more time on environmental excursions, for instance, than on reading.

In one case, a state charter school office called a social service nonprofit that had been providing jobs and GED preparation to suggest it apply for a charter. This organization had a longstanding relationship with the district because they educated harder to serve students and provided volunteer tutors to elementary schools for many years. The district was the authorizer and readily agreed to grant the charter. Though this organization has made the shift to managing a school relatively easily, it is experiencing difficulty learning how to run the elementary side of a K–12 school.

In both of these situations, strong school leadership must make sure that the school's instructional priorities needed to meet performance goals and other accountability requirements are met and to make sure the school is able to stay focused on its core mission.

Attracting unwanted attention. The flip side of having strong political connections is often that a very high profile school attracts a lot of attention. While this can be an advantage (as described above) it can also create distractions for a school if not managed well. Schools with well-known partners are more likely to be written about in the newspapers and are more likely to attract researchers. Researchers and other visitors can quickly turn a serene school into a tourist attraction. The high profile schools we visited have become skilled at scheduling visitors so they do not interfere with the functioning of the school, but they remain aware of the "mixed blessing" of working with outside organizations.

Managing the downsides. The downsides are identifiable but solvable. Whether these relationships are positive or negative depends on whether the school has a clear sense of its mission and the leadership to use resources provided from the outside without losing its way, traits we believe all schools ought to have. On the whole, these relationships are less likely to fracture a school than are government categorical programs that come with many compliance and reporting strings attached.

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[9] *Charting a Clear Course: A Resource Guide for Building Successful Partnerships between School Management Companies and School Management Organizations*. Charter Friends National Network. 1999.

These relationships, along with schools' new internal relationships between board and staff, represent important additions to public education. They potentially bring broader community financial and intellectual resources to bear on public education. They may encourage schools to be more responsive to parents and the general public. Most important, they make schools accountable to people and organizations that have a real stake in their success or failure.

Involuntary Relationships: Accountability to Other Government Agencies and Political Interest Groups

In theory, charter school accountability to government is supposed to be confined to a school's relationship with its authorizer and for the content of its charter contract.[10] But in practice, this is almost never the case. In our review of state laws and regulations, our surveys and our case studies, it is clear that charter school accountability to government is much more complex. We have found that:

- Charter schools must answer to unexpected, and often unwelcome, government and political actors.
- Pressures from multiple sources threaten to eclipse a charter school's relationships with parents, teachers, and even its authorizing agency.
- Those who have a stake in the success or failure of the charter school movement play a key role in regulating these relationships.

Unexpected actors are common. Other government agencies, besides the authorizing agency also oversee charter schools, whether the authorizer wants them to or not. Almost half of the chartering agencies in our survey reported that they were aware of other agencies (local, state, or federal) that had conducted compliance reviews or audits of the schools they had chartered. However, this was far more likely among college/university-based chartering agencies (86 percent) than among local districts (37 percent). This is probably because the primary outside agency cited by the colleges and university chartering agencies were other university-related agencies. Only a few chartering agencies reported compliance reviews by either federal or state agencies.

Although these reviews and audits are sometimes politically motivated, many government agencies intervene in the operation of charter schools without any conscious intent to do harm. Many are simply working "by the book," and since charter schools usually lack protectors within the bureaucracy, they are subject to harsher scrutiny than most public schools must endure.

Schools faced with mixed signals (and demands not contemplated in their charters) can be confused about whom they must listen to and what they must do. Charter schools that want to escape strict performance accountability can exploit such conflicting demands, hoping at

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[10] Kolderie, Ted. States Begin to Withdraw the Exclusive. Nathan, Joe. *Charter Schools: Creating Hope and Opportunity for American Education.* San Francisco, Jossey-Bass Publishers, 1996.

reauthorization time to use a compliance defense. A school might say to its authorizer, for instance, "We did what we were told (which was different from what we had intended to do) and we are therefore not responsible for the results." Other schools have learned that if they have strong local constituencies and the expectations are unclear, their renewal is virtually assured.

However, charter schools that use this tactic risk their ability to put performance first. There is no way schools can meet all of these demands, so they must resort to focusing on those that satisfy immediate political needs. This compromise does not support a cohesive school organization.

In the course of this study, we talked with an aide to a mayor of a small city. Her job was to coordinate the work of city agencies so that public schools undergoing renovations could open on time. The aide convened meetings of city inspectors—health, fire, and buildings—some months in advance of a school's reopening to stress the mayor's interest in making sure all inspections were done and signed off on time. As the aide explained, without the mayor's initiative, something was bound to go wrong—inspections done late, rules interpreted too literally, lenient options overlooked. With the mayor's expression of interest city, inspectors could be counted on to use their discretion in ways consistent with school opening.

In the absence of such powerful good offices, charter schools can be disrupted in ways that regular public schools seldom experience, whether or not the public agencies involved bear them any ill will.

Compromising pressures from these actors. In many cases, schools and authorizing agencies are subject to demands from state and federal agencies, teachers' unions and other interest groups fearing that charter school practices might set precedents that weaken their positions elsewhere.

Charter schools in Michigan, for example, have faced a very complex web of government accountability. Those critical of charter schools have allegedly called in government agencies as diverse as the fire marshal and the fair employment practices commission to inspect schools. On request of members elected to the state board of education and the state legislature, the state auditor conducted a review of Central Michigan University, the state agency that has authorized the majority of charter schools. In the first few years after the law passed under a Republican administration, teachers unions also pressured school districts to refuse to hire any teachers from Central Michigan University's school of education. A provision was added to the state law forbidding them to do this. There are two sides to all these stories, but the end result is the same: charter schools in Michigan, and other states, must operate in the midst of battles between diverse government actors, often in an intensely partisan climate.

The results of this highly charged environment are two fold: it creates confusion over who is responsible for oversight, and it creates transaction costs that can cripple schools. While charter school sponsors are supposedly responsible only for monitoring the terms of charter school contracts, the contracts reference the entire state law and regulatory code. Multiple government agencies also have responsibility to investigate complaints, and thus, they are also very involved in monitoring. The result, according to many charter school leaders we interviewed, is a high level of duplication of oversight.

The two-person charter school office in Massachusetts is often the focal point of competing political forces. Sole authorization and revocation powers rest with the Massachusetts Board of Education. This nine-person board was elected by Governor William Weld and his successor, Paul Cellucci. The Board sets policy for the Department of Education and more specifically the charter school office, a unit within the Department. Charter schools were a centerpiece of the Weld and Cellucci administrations' education initiatives.

A countermove by the opposition party has been to tighten oversight of all charter school operations. In 1997, the Massachusetts state legislature created oversight commissions to examine a) the charter school office for ethics violations, b) how the average cost per student was being allocated, c) whether the charter schools were actually "innovative," d) what was happening in the schools (site visits on top of the site visits the charter school office was already conducting), and e) fiscal audits of individual schools and the charter school office itself. After 2 years of looking, State Auditor DeNucci, a member of the opposition party, reported that the South Shore Charter School had bad bookkeeping practices in its first 2 years of operation. The report does not provide evidence that the funds were misspent and also indicates that the problem was corrected in the school's third and fourth year, but it still made the front page of the Metro section in the *Boston Globe*.

Schools and authorizing agencies ignore political wrangling and interveners from diverse agencies or government at their peril. Some can tie up a school or authorizing agency in compliance reviews or litigation. Heavy new transactions costs can kill a struggling charter school.

Other government agencies, especially state education departments, are understandably confused about how they should deal with charter schools. Though some have the impression that they are to keep "hands off," others assume that charter schools, like all other public schools, must fill out standard financial, attendance, and service reports and account in detail for the use of funds. Administrators of federal categorical programs assume that charter schools must use funds and deliver services pretty much the way other schools do. Some local and state administrators may be deliberately testing charter school operators to see how much of the normal regulatory burden they will accept. But most simply reason that if other public schools must submit a particular report or plan, a charter school must be similarly obligated.

Key Roles for Those Who Have a Stake in the Charter School Movement

In the midst of this ambiguous legal and political environment, charter schools must rely on those who are in positions of power to take a leadership role in defining what should be expected of these unique schools and buffering the schools from diverse interest group or agency demands.

Central Michigan University (CMU) has eliminated some of the ambiguity about oversight by being proactive about helping charter schools navigate the regulatory environment. CMU concluded that the state's requirements were often unclear and that since separate state bureaus administer different rules, no one can readily describe all the regulations schools must obey or all the reports they must file. CMU therefore took responsibility for identifying all rules

and all required reports, and informing CMU-sponsored schools of exactly what had to be done and when. In future years, charter schools will receive CD-ROMs with complete reporting schedules and all necessary forms, filled out with the previous year's data and ready for easy amendment and electronic filing. By this method, CMU has made compliance obligations clearer and less intrusive.

In the early years of implementation of Massachusetts' charter school law, the Governor oversaw charter schools directly through his own Office of Education. His Secretary of Education actively ran interference for newly founded charter schools that were being blocked from starting due to local permitting problems. Weld's successor, and former Lieutenant Governor, Paul Celluci, has continued to support and protect the integrity of the Massachusetts charter school initiative.

This reliance on key implementers, or power brokers, is a reality. Whether it helps or hinders a solid accountability system is a different question. When high level politicians and community leaders have their names associated with a particular reform, it can provide a very positive incentive to make sure the reform does not simply wash away. On the other hand, high-level politicians may be resistant to critical analysis of performance that is healthy for any new program. In Arizona, for instance, the state agency has come under fire for not providing sufficient monitoring for parents to get good information about the market of charter schools.

Definite resolution of these issues will require clearer laws and clearer implementation. Some of this is already occurring. Newer charter school laws are learning from the ambiguities of the first laws. Implementers around the country are sharing lessons about what has worked and what hasn't. For the time being, charter schools and authorizing agencies will have to feel their way, alert to the costs of conceding anyone's right to make demands, whether contemplated in their charters or not.

SECTION 6

Conclusions and Recommendations for People Engaged with Charter Schools

Charter school laws put schools in a situation of mixed accountability to private parties as well as to government, in pursuit of a public purpose. The public purpose is student learning. In theory, charter schools' accountabilities serve that public purpose—parents, teachers, and other private parties, as well as authorizers, care about student learning and reward or punish schools accordingly. Also in theory, schools are more likely to attain that public purpose if they are accountable to all those parties than if they are accountable to only one of them. No party, not even government, knows exactly what students need to know, nor can any party, not even government, be completely trusted to act purely in students' interest.

Using mixed accountability mechanisms to serve public ends is not exactly a new idea. Public utilities, for example, are accountable both to government and to their investors. In recent years, they have also become accountable to customers, who are free to switch from one provider to another. Publicly funded social services are now delivered both by government agencies and by private organizations that are accountable to government via contracts but remain accountable to their boards and members of their parent organizations. Even conventional public school systems make promises in order to get private donations and rely on voluntary unpaid effort by parents and teachers. These are all examples of enterprises that combine government oversight and private accountability in pursuit of broader public ends.[1]

Not everyone accepts the idea that public ends can be achieved by mixing governmental and private accountability. For many, accountability in public education means accountability to government and nothing else. Though most analysts of public education readily concede that government does not always articulate the public interest in education well—allowing a succession of different self-interested groups to write laws and regulations to create advantages for themselves—many still argue that government can do the job right. Some assume that government's now-chaotic actions can all be realigned to emphasize student learning over all other interests. Advocates of "alignment-" based reforms intend to hold individual schools accountable for student learning. Unlike charter school laws, however, alignment-based proposals do not expose schools to the pressures of free choice made by families and teachers or create autonomous governing boards for individual schools.

Schools that do only what they are told cannot be held responsible for the results. If schools are to be accountable they must have more control over their budgets, schedules, methods, and staff selection than is possible in a conventional public school system. Moreover,

[1] These ideas are more fully developed in Brandl, John, *Money and Good Intentions are Not Enough*, Washington, DC, The Brookings Institution Press, 1998.

school level freedom of action in turn implies some degree of free choice for teachers and for families. A school to which students and teachers are subject to involuntary assignment has little chance to establish a well-defined approach to instruction; it must focus instead on coping with the demands and limitations of the people who happen to be there. Whether they are public or private, schools that work for their students start with communities based on informed consent, not involuntary assignment.

By design, charter schools must reconcile pressures from many sources. They depend on many different parties—authorizing agencies, families, teachers, donors, volunteer governing boards, and other government agencies—each of whom has reason to expect evidence of performance. Each external party hopes the school will produce high levels of student performance, but some have their own peculiar concerns. Authorizers are also concerned about financial propriety, teachers about job security and working conditions, families about safety and caring, and other government agencies about maintaining regimes of regulation that they think benefit their particular clients.

Despite many false starts and some outright failures, charter schools are learning to face the problems of multidirectional accountability. They are helped by the fact that the most significant parties to whom they are accountable, parents and teachers, care more about maintaining a school climate conducive to learning than about any other dimension of school performance. Though some authorizers, other government agencies, and assistance groups create pressures that do not reinforce schools' focus on teaching and learning, on the whole, the schools we studied are creating internal accountability mechanisms that allow them to deliver enough of what everyone cares about to maintain their charters and survive financially. Though some charter schools cannot handle all the pressures on them and go out of existence, charter laws allow other schools to form and, potentially, learn from others' failures.

Nevertheless, there are still unresolved issues about charter school accountability:

- Some charter schools have managed to produce acceptable student outcomes but are still a long way from creating strong internal accountability arrangements and stable working relationships between the governing boards and management.

- Only a few of the hundreds of legally designated charter authorizing agencies have faced their own responsibilities in holding charter schools accountable. Some authorizers fall back on process and compliance monitoring and avoid acting on measures of student performance, rather than opening themselves up to the criticism that they will not close or replace any of the conventional public schools for which they are also responsible.

- Charter schools can be exposed to forms of pressure from other government agencies that other public schools simply do not encounter.

No one could expect all these problems to be solved within 5 years of the beginning of such a radical shift in methods of public service provision. Moreover, charter schools, their supporters, and some authorizers (including the states of Massachusetts and Colorado, special-purpose authorizing agencies in the District of Columbia and Michigan, and school districts in Chicago and Colorado) are making real headway.

In general, the preceding sections have shown that charter schools' multidirectional accountability can work, in the all-important sense of promoting effective instruction for children. For this to happen, however, charter schools must be more than neutral registers of the external pressures upon them. They must be real organizations, capable of organizing the effort of adults and children in pursuit of a mission and using data and expertise to solve problems. In short, if a school is to be externally accountable it must also be internally accountable.

Charter schools develop internal accountability because they need to do so. Charter schools can develop internal accountability because they control the resources and decisions that count. Internal accountability is *necessary* for charter schools because:

- A school receives public funds only if it meets the conditions of its charter—to deliver a coherent instructional program, show a government authorizer that students are learning, and maintain equitable admissions practices.
- A school must compete for students, whose families send them only if the school provides credible instruction and maintains a motivating, safe, and caring climate.
- A school must compete for teachers, who can choose schools they believe are stable enough to pay them and that provides a satisfying professional climate.

Internal accountability is *possible* because:

- Schools control funds and can therefore decide how to allocate resources between instruction and other objectives. They can also purchase the exact kinds of materials and advice they need to improve instruction.
- Schools have hiring authority over staff, which allows them to select the combination of skills it needs to manage its instructional program and gives schools the leverage they need to ensure that all faculty members work to provide the kind of instruction promised.
- Schools control their schedules and staff work assignments, and they can adapt programs to the needs of students and respond to information about their own performance.

However, based on the research reported in section 2, it is evident that these six conditions are not in themselves *sufficient* to create internal accountability. Some charter schools encounter all these conditions and still fail to become internally accountable. Becoming

internally accountable requires something more: compelling ideas about what makes a good school; leadership to help staff, parents, and the governing board converge on a common image of the school; and continued hard work to update general agreement about the school's purposes and methods and apply it to current circumstances.

People outside the school can create the conditions that make a school need to be internally accountable and enable a school to take responsibility for its results. Outsiders can even help the school community converge on shared ideas about good instruction. The fact that a charter school must establish enough guiding principles up front to write a compelling proposal starts it on the way toward establishing internal accountability, but it is clear that many charter schools nonetheless struggle, and a few ultimately fail, to develop it. Based on our research, we do not have a complete theory of how schools develop internal accountability. We can, however, identify the ways that key actors, both within and outside the school, enable and help schools develop internal accountability. The remainder of this section suggests how charter school leaders, governing boards, parents, teachers, authorizers, state governments, and philanthropists and other private-sector friends of charter schools can contribute to the development of internal accountability.

How Key Actors Can Improve Charter School Accountability

Most actors care more about whether a school gives children a positive learning environment and provides effective instruction than about whether it is punctilious about following rules. However, rules are part of life. The key to the success of charter schools—and to public education in general—is to find a way to reconcile the compliance pressure on schools with their need to focus on issues of teaching and learning. To make this possible, all parties must accept some responsibilities.

Charter school governing boards need to: understand that boards of directors must follow Osborne and Gaebler's[2] dictum to "steer, not row," formulating the school's mission and making decisions that set long-term directions, such as hiring the school head and establishing the criteria against which her performance will be judged. Directors who are also school founders must accept the fact that, like parents, they must learn to "let go." Stable and productive board-management relationships depend on the board's acceptance of the limitations of its "steering" role, supporting management whenever possible and replacing, rather than hobbling, managers who cannot be trusted.

New boards must expect a serious shakedown period that requires continual clarification of mission, governance relationships, and staffing. Neither boards nor staffs can always operate on the basis of consensus, and some conflicts might be serious enough to lead some board members or school managers to depart. However, the board must continually ask whether its actions are strengthening or weakening the instructional program and whether its actions clarify or blur the divisions of responsibility on which internal accountability is built.

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[2] Osborne and Gaebler, 1991, op. cit.

Charter school leaders need to: seize the initiative on external accountability. Though some charter school leaders think the less they can have to do with their authorizers the better, avoidance leads to trouble. School leaders need to initiate contact, define the terms under which they hope authorizers will hold them accountable, and create a flow of relevant information. Schools that avoid assessment or resist tests that the government is clearly authorized to require only increase the likelihood that government will do what comes naturally—try to control the situation by imposing new rules, demanding compliance, and imposing penalties.

Schools in states that require standards-based testing can critique the tests but they must not resist administering them. School leaders must avoid first encouraging staff opposition to the tests, and later telling staff they have no choice but to go along.

School leaders must also take the initiative in creating well-informed expectations among parents, teachers, and governing board members. Leaders must clearly communicate to parents and teachers what the school intends to accomplish and what it will not attempt. Vaguely characterizing the school as a happy place that values diversity and helps everyone learn does not discourage parents and teachers from maintaining irreconcilable fantasies about what the school will be. The school must be characterized clearly enough so that people can know what it will *not* do, and so that people whose expectations cannot be met will look elsewhere.

Attaining this degree of clarity takes time. No one can know in advance all the expectations that people might carry with them into the school. But at every juncture, school leaders serve everyone best by creating clarity, not ambiguity.

Internal accountability depends on clarity, which is in turn a function of leadership. Educators accustomed to conventional public schools, in which staff and parents are assigned to a school and must find ways to live with their differences, have learned to paper over conflicts with glittering generalities. Charter school leaders must operate very differently, constructing specific expectations, selecting and socializing staff, and creating internal divisions of responsibility that allow the school to meet them. This requires setting action priorities on the basis of hard performance data, not staff politics.

Parents need to: become wise consumers. Parents who know what to expect from a school, and can both effectively demand what was promised and avoid making demands that a school clearly was not constructed to meet, make an indispensable contribution to internal accountability. Charter schools need to be held to their promises, and parents who do so strengthen their school. But parents who import their own secret hopes, especially for instructional programs, facilities, and extracurricular activities that a charter school obviously lacks the capacity to deliver, only diffuse the efforts of board and staff.

Parents need to understand that not every charter school is for every child. It is their responsibility to perform due diligence before enrolling a child in a school. Parents need to ask questions: What will students experience every day? What will the school's climate and academic standards be? What kind of help will children get when they are struggling? and What is expected of families?

Teachers need to: understand that joining a charter school is an opportunity to change the type of educational relationship teachers have with students and other teachers. Charter schools are problemsolving organizations and the survival of the school depends on each teacher's success. Teachers and leaders must consider themselves as co-owners and comanagers, not as bureaucrats with limited responsibility.

Like parents, teachers need to perform due diligence about whether a charter school's expectations match theirs. They also need to hold board members and school leaders to their promises about instructional quality, school climate, and professional development opportunities. Teachers strengthen schools if they demand quality. But teachers must expect to be challenged and to work under performance pressure.

Authorizers need to: take their responsibilities toward charters seriously. School districts, in particular, need to overcome habits of letting schools slide until something dire happens. This requires creating routines for monitoring and assessing schools, and rules of thumb to use early in a school's development to distinguish schools that are having normal startup problems from those that are seriously at risk of failing to deliver. Authorizers should consider creating or contracting for school inspection organizations, as have the Massachusetts and Chicago charter schools offices.

Authorizers must fulfill their public duties to ensure that charter schools are held accountable for performance, and to protect students from failing schools. This requires clear definitions of performance measures of schools' value added. It does not require exhaustive measurement of every aspect of a school's operation, but it does require sharp, valid, and tamper-proof measures of student learning outcomes, especially in core subjects. Parents and teachers can be trusted to assess and react to important but hard-to-measure school attributes like climate and morale. But authorizers must collect and act on hard measures of whether students are learning.

Authorizers must also adapt to the realities of dealing with schools that are independent organizations responsible for demonstrating student performance. Schools cannot be expected to develop as educational institutions if they are constantly surprised by rules and constraints newly discovered by disorganized authorizers. Charter schools can live with rules, but rules must be stable and the accompanying administrative burdens predictable. Unstable rules and sporadic enforcement can drive schools in one of two directions: toward either slavish compliance to the rule of the day or arrogant disregard of compliance obligations.

State governments need to: hold authorizers accountable for their responsibilities.[3] All states that allow local school districts to charter schools must understand that districts are not accustomed to holding schools accountable for performance. Many need help understanding their responsibilities and exposure to districts that have learned how to fulfill these responsibilities. State-funded professional development for administrators responsible for charter school oversight and for school board members is essential, but no state has accepted this responsibility.

States need to provide enough guidance and training so that a conscientious authorizer can determine whether it is fulfilling its responsibilities toward potential and current charter operators. States also need to make sure local districts and other authorizers face negative consequences if they do not follow the intent of state law in processing charter school applications and overseeing charter school performance.

State governments might also help other agencies like fire code enforcers and building inspectors by issuing guidelines for dealing with charter schools. These guidelines should make it clear that charter schools are not to be held to more rigorous standards than existing public or private schools.

The federal government needs to: clarify key regulations as they apply to charter schools. State laws differ on whether charter schools are to be considered school districts or simply contractors working for public agencies (e.g., Wisconsin, California, Arizona, and Connecticut). This has meant that individual charter schools have been required to offer special education programs that school districts, not individual schools, normally provide. In conventional public education, no one school must provide services appropriate to every disabled child: it is enough for the school district to provide appropriate services at some place in the district that is accessible to the student. Federal enforcement of the rights of handicapped children should permit charter schools that are not school districts under state law to make similar arrangements, either by depending on school districts to provide special education, or by forming consortia in which different charter schools provide different special education services.

Friends of the charter school movement need to: help government agencies and private actors support and effectively evaluate charter schools. Foundations, charter school associations, and resource centers should direct investments toward helping charter schools develop strong governing boards and other internal accountability mechanisms such as self-assessment models, effective grievance policies, and staff evaluations. State and national associations should help disseminate best practices on internal accountability to other charter schools and to other public schools.

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[3] An Education Commission of the States report has suggested that states create sanctions for school districts that do not provide districts with the freedom of action and performance-based oversight contemplated by state law. These sanctions can include loss of control over the schools in question and even replacement of the existing school board. See The Education Commission of the States, *Bending without Breaking: Improving Education through Flexibility & Choice,* Denver, 1996. Sarah Brooks has also suggested that such sanctions might be applied to districts that do not fulfill their responsibilities under standards-based reform. See Brooks, Sarah, *How States Can Hold Schools Accountable: The Strong-Schools Model of Standards-Based Reform*, Seattle, Center on Reinventing Public Education, 2000.

Those who hope to see the charter school movement expand and thrive must also work to expose charter schools to technical tools that help them get the kind of data they need to be held accountable.[4] Likewise, friends must help charter school authorizers and evaluators develop new capacity to measure school progress, rather than rely on compliance evaluations.

Perhaps most importantly, charter friends need to develop effective ways to help parents evaluate the progress of their children and their children's schools. Efforts in these areas are emerging and should be fostered. In Rochester, New York, a local foundation has provided planning grants to schools on the condition that they adopt a common assessment model that can be used to create a charter school report card. The Charter School Development Center at California State University now offers accountability training and materials for authorizers as well as schools. The Walton Foundation is funding a multistate project to develop and disseminate new accountability methods for charter schools.

While statewide associations and resource centers can do much to support strong accountability and strong schools, these organizations now have their limitations. Their main mission is help individual schools get started and thrive. A new statewide independent nongovernment entity must also serve a more specific role. Such an organization would be charged simply with defending the integrity of the state's charter school law. It would act as a watchdog on state government's faithful implementation of the charter law, fight unnecessary new regulatory demands, help central office and authorizing agency staff to shift from a control mode to a support mode, and encourage multiple sources of information about charter schools. These might include media, associations, and parent groups.

Conclusions

Even this early in the development of charter schools, the stakes are high. The majority of charter schools are less than 3 years old and most are still developing their approaches to instruction and institutional identity. If they face an unpredictable regulatory environment they may never reach their full potential. Charter schools, and the broader national movement behind them, can serve children well only if authorizers and supporters create conditions friendly to internal accountability.

The stakes are high for all of public education, not just for charter schools and their supporters. Charter school laws did not create the need to hold individual schools accountable for performance. That need has been recognized for decades by educators and policymakers who knew that compliance-based accountability weakened schools and diverted time and energy away from instruction. Seeking to focus public oversight on school performance, 49 states have

[4] See, for example, Finn et al., 1999, op. cit., Appendix A: "Generally Accepted Accountability Principles for Education."

committed themselves to standards-based reform, which requires a form of school performance accountability that has many of the elements of charter schooling. Like charter schooling, standards-based reform intends to make schools accountable for performance, not compliance; gives teachers and principals the freedom of action necessary to improve instruction; and promotes new investment in ideas, organizations, and people.

Charter schooling is the laboratory in which governments and other actors, both public and private, can learn how to play new roles in public school accountability. Charter schools, once a marginal enterprise, could offer new insights to renewal in public education.

Appendix A: Survey Data and Analysis Methods

Schools Survey

In order to reduce the burden of response on charter schools, the Center on Reinventing Public Education (CRPE) cooperated with an ongoing study of charter schools being conducted by RPP International under contract to the Office of Educational Research and Improvement, U.S. Department of Education. In the 1997–98 school year, RPP was in the third year of a multiyear national study of charter schools, collecting data from all charter schools then in existence. CRPE developed a number of questions about accountability approaches and practices, and these questions were incorporated into a larger survey being administered to all charter schools in existence in spring 1998. There were 373 charter schools in the universe of interest (i.e., charter schools in existence for at least one full academic year by spring 1998) and, of these, 294 (78.8 percent) responded. RPP gave the CRPE team access to all 3 years of data on these schools, thus providing extensive information on the initial experiences and growth of the vast majority of the charter schools that have survived the challenges of new laws, new regulations, and a new way of delivering public education. Information on the number of schools, school origin, grade levels, and authorizing agency for the schools in the RPP survey is provided in the table below.

Respondents to RPP Charter School Survey

				School origin			Grade levels				Charter agency			
	Number of schools	Average years of operation	Average enrollment	New	Public	Private	Elementary	Middle / jr high	High school	All grades	State	District	University	Other
Total	**294**	**2.9**	**296**	**175**	**67**	**38**	**139**	**64**	**47**	**30**	**117**	**91**	**42**	**30**
Alaska	1	2.0	95	1	0	0	1	0	0	0	0	1	0	0
Arizona	64	2.4	212	41	9	14	25	18	15	6	35	11	12	6
California	71	3.6	492	38	33	0	40	17	9	5	27	40	0	4
Colorado	30	3.2	222	26	3	1	14	10	1	5	4	22	0	4
Delaware	2	2.0	225	2	0	0	0	1	1	0	1	1	0	0
D.C.	1	2.0	95	0	1	0	0	1	0	0	0	0	1	0
Florida	3	2.0	121	3	0	0	1	1	1	0	1	2	0	0
Georgia	8	2.4	706	0	8	0	6	1	1	0	7	1	0	0
Louisiana	3	2.0	83	2	1	0	1	1	0	1	1	2	0	0
Massachusetts	15	2.7	293	13	2	0	7	3	4	1	14	0	0	1
Michigan	53	2.5	204	34	5	14	31	7	7	8	5	6	29	13
Minnesota	15	3.9	136	12	2	1	7	3	1	4	10	4	0	1
New Mexico	4	4.0	968	0	4	0	1	1	2	0	3	1	0	0
Texas	14	1.9	253	7	0	7	3	6	0	0	13	0	1	0
Wisconsin	10	2.8	133	4	5	1	4	2	3	1	2	7	0	1

Authorizer Survey

CRPE contacted 54 chartering agencies in 6 states, interviewing all agencies in some states (where there was only 1 or a very few eligible chartering agencies) and a random sample of agencies in others. Responses were received from 53 of the agencies for a total response rate of 98 percent. These agencies together are responsible for a total of 513 charters in the 1998–99 school year with a range of 1 to 68 schools per agency with an average of 9.9 per agency. On average, state chartering agencies charter the largest number of schools (48), followed by colleges/universities (and average of 19.6) and, far behind, local school districts (4.4 schools per district, on average). The oldest had been in existence for 8 years at the time of the survey; the newest had been chartered in the 1998–99 school year.

Table 1

	Total	Local district	State	College	AZ	CA	CO	GA	MA
Total agencies surveyed:	53	41	4	7	11	14	10	6	1
Year schools chartered:									
1992 and 1993	30	20	0	0	0	16	11	0	0
1994	120	22	35	63	20	10	5	8	12
1995	111	27	61	23	54	11	3	11	7
1996	99	27	47	25	38	9	8	16	3
1997	153	85	42	26	69	20	8	19	7
Total schools:	513	181	185	137	181	66	35	54	29
Range of charter schools per agency:	1-68	1-30	20-68	1-51	1-68	1-28	1-8	1-29	20
Average charter schools per agency:	9.9	4.4	48.3	19.6	16.5	4.7	3.5	9.0	29.0

The type of chartering agency (i.e., local district, state agency, or college/university) is more predictive of the operations of the agency than is the state in which the agency charters schools. Thus, if a state permits charters to be granted by a state agency, a local district and/or a college or university, the operations of the agencies will be more likely to resemble agencies of the same kind in another state more than they will agencies of a different type in the same state.

Special Study on Accountability
Issues Facing Charter Schools

OMB #1850-0748
Expires 9/30/99

Center on Reinventing Public Education
University of Washington

Survey of Charter Authorizing Authorities

As part of the Special Study on Accountability Issues Facing Charter Schools, we are asking you to complete this survey which asks about your agency and the charter schools with which you have worked. Your responses will be kept strictly confidential and will not be shared with state agencies or individual charter schools. When we report data, we will do so in a grouped way so that no individual agency can be identified with its responses. You may respond by returning this form by e-mail, through the mail (using the enclosed pre-addressed postage-paid envelope) or over the telephone with the project Research Associate. A copy of the report will be sent to you at the completion of the study. We appreciate your cooperation!

Lawrence C. Pierce.

The Agency

1. Name of authorizing agency_____

2. Type of entity:

   - ❒ Local school board
   - ❒ Intermediate education board
   - ❒ County superintendent (if different from local school board)
   - ❒ State educational agency
   - ❒ Community college
   - ❒ Four-year college/university
   - ❒ Other (please specify) _____

3. When were you first authorized to grant school charters? _____
   Month Year

4. A. How many individual staff members are employed by this agency specifically to work with charter schools? ☐

   B. Please indicate in the spaces below the number of full-time-equivalent (FTE) staff who work with charter schools in either a support or a professional capacity:

   (1) Support (administrative assistance, clerical, data entry, etc.) ☐ FTE

   (2) Professional (supervision, financial or curriculum assistance, etc.) ☐ FTE

The Charter Application/Review Process

5. During your most recent charter application cycle, did you formally announce that your agency was accepting applications to operate charter schools?

❒ No

❒ Yes which of the following did you use? (Please check all that apply.)

- ❒ ads or stories we placedin local newspapers
- ❒ announcements on radio or TV
- ❒ newsletters for teacher unions, parent groups, etc.
- ❒ other (Please describe)

6. Which of the following materials or services did you provide to potential charter applicants during your most recent charter application cycle? *(Please check all that apply)*

- ❒ Provided copies of State Charter law and regulations to applicants
- ❒ Provided additional materials/explanations about accountability issues
- ❒ Notified potential applicants of your agency priorities (things you will especially look for)
- ❒ Sponsored meetings of, or informational sessions for, charter school applicants
- ❒ Offered technical assistance to applicants during the application process *(Please describe below)*
- ❒ Referred applicants to other forms of technical assistance during the application process *(Please describe individuals/agencies to which you refer applicants)*

7. In the table below, please enter the approximate number of charter application packets or forms you have distributed each year since you have been a chartering agency, and the number of completed applications you received each year you have been in operation. *(Non-profit organizations/groups might include a consortium of home-schooling families or a community organization. A completed application or a single charter covering more than one site should be recorded as a single application.)*

		Number of completed applications received from:				
School year (e.g., 1992-93)	Estimated # of applications distributed	Existing public schools	Existing private schools	Non-profit organizations/ groups	For-profit groups	Other new entities
1992-93						
1993-94						
1994-95						
1995-96						
1996-97						
1997-98						

8. Which of the following participated in either the review or selection of charter applications during your most recent cycle? Please check all that apply and then indicate whether the participation was in (1) reviewing the applications and/or (2) participating in the selection decision by voting, etc.

	Review	Selection
❒ Agency staff	❒	❒
❒ Advisory board members	❒	❒
❒ Members of State Educational Agency *(if different from authorizing agency)*	❒	❒
❒ Public school administrator(s)	❒	❒
❒ Local school board member(s)	❒	❒
❒ Public school teacher(s)	❒	❒
❒ Parent(s)	❒	❒
❒ Community leaders	❒	❒
❒ Others (Please describe below)	❒	❒

9. In reviewing charter applications during your most recent cycle, which of the following criteria did you use? (Please check all that apply and please provide examples of these materials, if available.)

❒ Formal review checklist or document covering one or more of the following:

- ❒ goals/mission/purpose of proposed school
- ❒ curriculum/program proposed to meet the goals
- ❒ governance structure
- ❒ management/financial structure
- ❒ accountability methods proposed for assessing success of school
- ❒ proposed school staff *(principal, others)*
- ❒ other aspects of school *(please describe below)*

❒ Informal checklist of criteria influenced by state law and experience *(Could you describe these criteria on a separate sheet or provide materials?)*

❒ Informal, unwritten set of criteria based on state law and agency experience *(Could you describe these criteria on a separate sheet or provide materials?)*

❒ Sense of the overall quality of application as compared to competing applications

10. For each year of your agency's operation, how many applications for charter schools have you approved and how many have you rejected or deferred until a later cycle? For approved applications, please indicate (in parentheses) the number of approved applications that have actually opened as of this date.

	Number deferred/rejected:		Number of applications approved and (opened):				
School year (e.g., 1992-93)	Deferred	Rejected	Existing public schools	Existing private schools	Non-profit groups	For-profit groups	Other new entities
1992-93							
1993-94							
1994-95							
1995-96							
1996-97							
1997-98							

11. If you have rejected one or more charter applications since the inception of your chartering authority, please indicate the importance of each reason and the estimated number of applications that were rejected primarily because of this characteristic.

Reason for not approving	Often important	Sometimes important	Seldom important	# of rejected applications
Incomplete application (*not all requested information provided*)	3	2	1	____
Inadequate planning	3	2	1	____
Inadequate financing	3	2	1	____
Lack of facility	3	2	1	____
Lack of community outreach process	3	2	1	____
Weak educational ideas	3	2	1	____
Lack of parent support	3	2	1	____
Opposition of local school board	3	2	1	____
Opposition of teachers in existing school	3	2	1	____
Opposition of teacher union	3	2	1	____
Duplicates existing charters	3	2	1	____
Lack of accountability system	3	2	1	____
Weak accountability system	3	2	1	____
Not responsive to authorizing agency priorities	3	2	1	____
Quality of proposal not as high as others received	3	2	1	____

Other significant reasons? (Please describe below)

12. Does your state have a process by which rejected applicants can appeal for another review?

❒ Yes*(Please go to next question)* ❒ No*(Please skip to Question #14)*

13. How many of the applicants rejected by your agency since the inception of your chartering authority actually used the state appeal process? How many of these applicants were subsequently approved on appeal?

❒ ☐

Number of your rejections appealed?

Number who subsequently received charters based on appeal from your agency? ☐

Monitoring/Reviewing Charter Operations

14. Do you provide written accountability standards for charters in addition to whatever standards are provided in the charter school legislation and/or state education agency rulings?

☐ Yes (Please attach a copy of these guidelines to your response) ☐ No

15. Once a charter has been funded, what oversight method(s) do you use?
(Please check all that apply below.)

☐ Visit just prior to charter opening to assure that it is doing what it said it would do

☐ Conduct scheduled visits to school (How many times per year? ☐)

☐ Conduct unscheduled, drop-in visits to school (How many times per year? ☐)

☐ Require annual financial audit

☐ Require written progress reports (How many per year? ☐)

☐ Other *(please specify)* _____

16. Are you aware of any other agencies (local, state or federal) that have conducted compliance reviews or audits of the schools you have chartered?

☐ Yes *(Please go to next question)* ☐ No *(Please skip to Question #18)*

17. Please describe the agencies involved, the audits or reviews they conducted, and what reports/actions resulted from these reviews.

18. Which of the following types of accountability data do you require your charter schools to collect and which do they provide to you? *(Check all that apply.)*

	Collects	Provides to authorizing agency
Parent satisfaction surveys	☐	☐
Staff satisfaction surveys	☐	☐
Portfolios of student work	☐	☐
School attendance data	☐	☐
School completion records (dropout rate, etc.)	☐	☐

	Collects	Provides to authorizing agency
Standardized achievement test data (What tests are used for what grades, including tests when admitted to school? Please list below:	❒	❒
_____	❒	❒
_____	❒	❒
_____	❒	❒
_____	❒	❒
Other *(Please describe below.)*		

19. Do you have formal warning and/or probation systems in place for your charter schools?

❒ Yes ❒ No

20. Have you ever conducted an investigation of a charter school since you were authorized to grant charters?

❒ Yes *(Please continue with the questions below)* ❒ No *(Please skip to Question 22)*

21. When you have had to conduct an investigation of a charter school, what situation(s) triggered that investigation? *For each situation listed, please indicate the number of schools involved in an investigation triggered primarily by the situation and then indicate how the situation was resolved.*

	# of schools involved	**Resolution** (# of schools where:) No action needed	Changes requested & made	Charter revoked
Complaints received from parents	☐	☐	☐	☐
Declining enrollment	☐	☐	☐	☐
Financial irregularities	☐	☐	☐	☐
Low test scores	☐	☐	☐	☐
Disciplinary incidents	☐	☐	☐	☐
Complaints from teachers, others	☐	☐	☐	☐
Complaints from teacher unions	☐	☐	☐	☐
Failure to comply with terms of the charter	☐	☐	☐	☐
Other (_____)	☐	☐	☐	☐

Renewing Charters

22. How often must the schools your agency has chartered apply for renewal?

- ❒ Every three years
- ❒ Every five years
- ❒ On demand
- ❒ Other *(Please specify.)*

23. Have you developed a formal charter **renewal** process that is distinct from the monitoring process described in the previous section?

- ❒ Yes *(Please continue with the questions below)*
- ❒ No *(Please skip to Question 28)*

24. Which of the following are parts of the charter renewal process? *(Please check all that apply.)*

- ❒ Final, summary report from school
- ❒ Strategic plan for future of school
- ❒ Financial audit
- ❒ Formal record of school progress toward goals
- ❒ Summary site visit
- ❒ Completion of renewal application form
- ❒ Other (Please describe.)

25. What elements of school performance are most important to your agency as you consider renewal of a charter? Please rank each of the possible performance measures listed below in terms of its importance to you in considering school renewal, with the most important area given a "1," the second a "2" and so forth. Please add any additional measures you use to decide on renewal.

Rank

- ☐ Academic achievement
- ☐ Student disciplinary incidents
- ☐ School attendance rates
- ☐ Ability of school to maintain student enrollment
- ☐ Parent satisfaction levels
- ☐ Teacher turnover rates
- ☐ Financial stability/financial record keeping
- ☐ _____
- ☐ _____

26. Have you failed to renew one or more charter agreements?

- ☐ Yes *(Please continue with the questions below)*
- ☐ No *(Please skip to Question 28)*

27. What were the most important reasons for failing to renew these charters? (For each potential reason listed, please indicate the number of schools involved and indicate how the situation was resolved: that is, whether the decision was appealed, whether the non-renewal decision was upheld or whether it was withdrawn and the charter renewed.)

	# of schools involved	**Resolution** (# of schools where:) Decision appealed	Decision upheld	Decision withdrawn, charter renewed
Complaints received from parents	☐	☐	☐	☐
Declining enrollment	☐	☐	☐	☐
Financial irregularities	☐	☐	☐	☐
Low test scores	☐	☐	☐	☐
Disciplinary incidents	☐	☐	☐	☐
Complaints from teachers, others	☐	☐	☐	☐
Complaints from teacher unions	☐	☐	☐	☐
Failure to comply with terms of charter	☐	☐	☐	☐
Other (Please describe below)	☐	☐	☐	☐

28. Have you made changes in your accountability policies or procedures because of your experience monitoring and reviewing charter school performance?

☐ Yes *(Please describe below)* ☐ No

29. Based on your experience to date, what accountability procedures, regulations or processes would you suggest for charter schools in your state in the future?

30. Finally, are you sending us any supporting materials in a separate mailing?

☐ Yes ☐ No

Thank you for your assistance!

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